

ERNEST DEMEL,

Plaintiff,

v.

GROUP BENEFITS PLAN FOR EMPLOYEES OF
NORTHERN TELECOM, INC., dated as of January 1,
1982, TRUSTEES AND ADMINISTRATOR OF THE
GROUP BENEFITS PLAN FOR EMPLOYEES OF
NORTHERN TELECOM, INC., EMPLOYEE
BENEFITS COMMITTEE OF
NORTHERN TELECOM, INC., NORTHERN
TELECOM INC. RETIREMENT PLAN FOR
EMPLOYEES, TRUSTEES AND
ADMINISTRATOR OF NORTHERN TELECOM,
INC. RETIREMENT PLAN FOR EMPLOYEES, and
THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

Defendants.

Index No.

07 CV
COMPLAINT

189

FILED
U.S. DISTRICT COURT
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S.D. OF N.Y.

Plaintiff, ERNEST DEMEL, by and through his attorneys, Legal Services for the
Elderly and Dickstein Shapiro LLP alleges as follows:

NATURE OF ACTION

1. Plaintiff, Ernest Demel, brings this action to seek an award of disability income
benefits pursuant to Group Benefits Plan for Employees of Northern Telecom, Inc., dated as of
January 1, 1982 (Plan Number 506) ("Benefits Plan") and the Northern Telecom, Inc. Retirement
Plan for Employees, dated as of January 1, 1984 ("Retirement Plan"). The Benefits Plan and
Retirement Plan provided disability and retirement benefits to employees of Northern Telecom,

Inc. A true and correct copy of the Retirement Plan is attached hereto and by that reference incorporated herein as Exhibit A. A true and correct copy of the Retirement Plan is attached hereto and by that reference incorporated herein as Exhibit B. This action is made pursuant to §502(a)(1)(B) of ERISA (29 U.S.C. §1132(a)(1)(B)).

2. In the alternative, plaintiff brings an action under §502(a)(3) of ERISA seeking equitable relief in the form of a declaration of Mr. Demel's eligibility for benefits and/or the issuance of an injunction requiring Defendants to permit Mr. Demel to apply for benefits and have his claim adjudicated on its merits.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this suit pursuant to 502(a) and (e) of the Employees Retirement Income Security Act of 1974 ("ERISA"); and in particular, 29 U.S.C. §§1132(e)(1) and 1132(f), which confers district courts with jurisdiction in cases concerning employee benefit plans subject to ERISA. All administrative remedies have been exhausted. In addition, this action is properly before this Court pursuant to 28 U.S.C. §1331, which conveys jurisdiction over actions arising under the laws of the United States of America. Pursuant to these provisions, Federal courts have exclusive jurisdiction to hear civil actions brought to recover benefits due under the terms of an employee welfare benefit plan.

4. The ERISA statute provides a mechanism for administrative or internal appeal of benefit denials. *See* 29 U.S.C. §1133. Those avenues of appeal have been exhausted.

5. The Southern District of New York, where Plaintiff resides and which is the place of Defendants' breach of their obligations to him, is an appropriate venue pursuant to 29 U.S.C. § 1132(e)(2).

6. Ernest Demel ("Mr. Demel" or "Plaintiff") is and was a resident of New York, New York at all times relevant hereto.

7. Mr. Demel worked for Northern Telecom, Inc. ("Nortel") on a full-time basis for approximately two-and-one-half years from August 17, 1981 through February 3, 1984, the date he was rendered disabled in an automobile accident. The Social Security Administration of the United States Department of Health and Human Services ("SSA") has awarded Mr. Demel Disability Insurance Benefits, based on its determination that he has been unable to engage in any form of substantial gainful activity since the date of his automobile accident in 1984. The determination by the Administrative Law Judge finding Mr. Demel completely disabled is attached hereto as Exhibit C.

8. The Defendants are employee benefits plans and the administrator and trustees of those plans. As a consequence of his employment, at all times relevant hereto, Mr. Demel had been a participant in both the Benefits Plan and the Retirement Plan. The Benefits Plan and Retirement Plan provided disability and retirement benefits to employees of Northern Telecom, Inc.

9. Upon information and belief, Defendant The Prudential Insurance Company of America is an insurance company that provides claims administration services to Northern Telecom Inc.

10. Upon information and belief, Nortel provided Long Term Disability Benefits under the Benefits Plan, which is administered by the Employee Benefits Committee and The Prudential Insurance Company of America.

11. Upon information and belief, Nortel created the Retirement Plan and administers it through its Employee Benefits Committee.

12. Upon information and belief, Nortel enjoyed and continues to enjoy significant federal tax advantages by making contributions to these plans while claiming compliance with the requirements of ERISA, including the requirement of section 29 U.S.C. § 1104(a)(1) that employee benefit and retirement plans be administered solely in the interest of its participants and beneficiaries.

STATEMENT OF FACTS

A. Events Leading To Mr. Demel's Disability And Status As A Disabled Worker

13. On August 17, 1981, after being interviewed in New York City, Mr. Demel, began his employment at Nortel as a field engineer for the Eastern Region. Mr. Demel's base office was in New York.

14. After completing the training program, Mr. Demel was promoted to DMS/SL Engineer II, a position that required him to spend approximately eighty percent (80%) of his work time traveling to and working at numerous job sites throughout the United States.

15. In early February 1984, Mr. Demel was required to travel to a project site in Middletown, Connecticut. Because the job site was a substantial distance from his residence, Mr. Demel had to travel by automobile from a local hotel.

16. At approximately 8:00 a.m. on February 3, 1984, while driving from his hotel to the job site, Mr. Demel's car skidded off the road because of icy conditions. As a result of this accident, Mr. Demel suffered extensive physical injuries as well as psychological and emotional trauma. These injuries included a herniated disc, damage to his right leg, nerve damage in his

neck, palmar hyperhidrosis, post-traumatic stress disorder and severe depression. Due to these impairments, Mr. Demel has been unable to engage in any substantial gainful activity since that date.

17. After this accident, Mr. Demel received five (5) days of sick leave at full salary. Beginning on February 10, 1984 and continuing to February 29, 1984, Mr. Demel received short-term disability benefits from Nortel under the terms of the Benefits Plan.

18. During the four (4) weeks he was on short term disability, Mr. Demel received benefits equaling 100% of his salary. Upon information and belief, Nortel was able to offset this amount with recovery from worker's compensation for which Nortel applied on February 8, 1984, with Nortel's carrier at the time, Liberty Mutual Insurance Company.

19. At the time of his injury and immediately thereafter, Mr. Demel was not given a Summary Plan Description nor was he verbally informed of his rights under the Plan.

20. In early March 1984, pursuant to his doctor's restrictions on the duties that Mr. Demel could perform given his impairments, Nortel enrolled Mr. Demel in a five week training program at Nortel in Dallas, Texas where he took courses in data transmission engineering.

21. Following his completion of the training course, Mr. Demel did not receive work commensurate with his training, education or past experience but rather was temporarily assigned to on-the-job vocational rehabilitation at a storage warehouse in Dallas, Texas, an unskilled position that did not involve any of the duties in which he normally engaged nor any of the duties for which he was trained. This was not a reasonable work assignment commensurate with his training, education or past experience.

22. Mr. Demel made several calls to his regional manager to complain about the rehabilitation work at the warehouse, which occasionally involved heavy lifting beyond Mr.

Nortel never made such a transfer.

23. Upon information and belief, while he was in the rehabilitation program, Mr. Demel was taken off short term disability and put back on Nortel's payroll as a regular full time employee.

24. Mr. Demel was not informed in writing or verbally that he was being taken off short term disability or that his status was changing in any way while he attended vocational training.

25. On April 30, 1984, Mr. Demel was summoned to Nortel's Dallas office, at which time he was terminated.

26. On May 1, 1984, Mr. Demel requested a reason for his termination. On that day, Nortel's human resource department only stated that he had been terminated for violation of company rules. Although he immediately denied having committed any such violation, Nortel did not provide Mr. Demel with any of the evidence upon which this accusation was based. Further, Nortel did not provide Mr. Demel with any opportunity to rebut the accusation that was the ostensible reason for his dismissal.

B. Defendants' Failure to Notify Mr. Demel of Long Term Disability and Retirement Benefits Rights as Required by ERISA §102(a), 29 U.S.C. §1022(a).

27. During his employment by Nortel, Defendants failed to provide Mr. Demel with a Summary Plan Description ("SPD"), giving him notice of his rights under the Benefits Plan. This notice was required to be given to Mr. Demel by ERISA § 102(a), 29 U.S.C. § 1022(a).

28. Despite their knowledge of Mr. Demel's severe physical and mental impairment and the significant possibility that he would meet the Benefits Plan's criteria for short term and

long term disability benefits. Defendants never attempted by any means to inform Mr. Demel of his rights under the Benefits Plan or Retirement Plan. Mr. Demel's disability entitles him to retirement benefits. Additionally, at the time of his termination, Mr. Demel was not provided with any notification or documentation regarding any rights that he may have had under either plan.

29. Mr. Demel inquired about his rights to disability benefits in October of 1986. On November 11, 1986, Nortel sent Mr. Demel a letter stating that Liberty Mutual Insurance Company ("Liberty Mutual") would be handling his claim. A true and correct copy of this letter is attached as Exhibit D. As set forth below, Liberty Mutual took an active role in Mr. Demel's workers compensation hearing, but Liberty Mutual did not provide Mr. Demel with any information regarding the Benefits Plan or the Retirement Plan. Further, in 1987, Mr. Demel filed suit against Nortel in the Civil Court of the City of New York, County of Queens, seeking recovery of unpaid travel expenses he incurred while participating in vocational rehabilitation. Nortel never answered that complaint.

C. Mr. Demel's Successful Attempt to Obtain Social Security Disability Insurance Benefits.

30. Approximately one and a half years after Mr. Demel's termination from Nortel, he applied to the Social Security Administration of the United States Department of Health and Human Services ("SSA") for Disability Insurance Benefits ("SSDI").

31. On January 20, 1989, after reviewing the relevant medical documents, considering Mr. Demel's vocational rehabilitation period and conducting an evidentiary hearing where he was able to question Mr. Demel under oath, evaluate his responses, and observe his

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demeanor, an SSA Administrative Law Judge (“ALJ”) issued a decision finding that Mr. Demel was unable to engage in any form of substantial gainful activity. The decision listed the disability onset date as March 27, 1987.

32. On November 22, 1999, a different SSA ALJ issued a second decision (the “Amended SSA Decision”) that corrected and superseded the first decision by finding that Mr. Demel’s disability dated from the time of his automobile accident on February 3, 1984, based upon the evidentiary hearing. At the hearing, a medical expert testified as to the extent of Mr. Demel’s injuries and in support of the fact that Mr. Demel was disabled as of the date of his accident. A copy of the Amended SSA Decision is annexed hereto as Exhibit C.

D. Mr. Demel’s Exhaustion of Administrative Remedies.

33. After Mr. Demel’s termination, Nortel filed workers’ compensation claim forms for him with their workers’ compensation carrier, Liberty Mutual Insurance. Immediately thereafter, a series of workers’ compensation hearings ensued which continued until settlement in July, 2006.

34. Through its representatives, Nortel took an active role in the workers’ compensation hearings. Throughout that time, Mr. Demel insisted that he was entitled to Long Term Disability Benefits, but Nortel ignored his requests. In fact, Nortel has recognized both that Mr. Demel has asserted his rights to benefits for years and that no response has been forthcoming from Nortel, as further set forth below.

35. After years of being unable to obtain information through his own efforts, on November 3, 2000, Mr. Demel retained counsel at Legal Services for the Elderly, a poverty law office, to investigate and help him obtain any benefits to which he was entitled.

36. On November 3, 2000, counsel sent a letter to the Nortel Benefits Department on Mr. Demel's behalf, asking that it inform him of the status of Mr. Demel's claim, that it furnish him with any forms that he or his physicians needed to complete, that his claim be processed "as expeditiously as possible in light of the extreme hardship of Mr. Demel's situation," and that it send counsel "copies of the Plan and Summary Plan Description, and relevant amendments thereto." A copy of the November 3, 2000 letter is annexed hereto as Exhibit E.

37. Nortel did not respond to this November 3 letter and over the next six months, counsel made numerous telephone calls to Nortel. On January 19, 2001 and April 5, 2001 counsel sent additional letters to Nortel renewing the requests made in the November 3 letter. A true and correct copy of those letters are annexed hereto as Exhibit F and G, respectively. In the April 5, 2001 letter, Mr. Demel's counsel reiterated that Mr. Demel still had not been provided with the plan materials to which he was entitled.

38. On May 7, 2001, counsel spoke by telephone to Ruth Hillis, Nortel's Senior Benefits Counsel, in Nashville, Tennessee, who disputed Mr. Demel's entitlement to benefits and asserted that he had been terminated because of his own unspecified "malfeasance." Ms. Hillis insisted that there could be "no dispute" because Nortel's records supported Nortel's position. Mr. Demel's counsel noted Mr. Demel's disagreement and again requested relevant documents including the Benefits Plan and the SPD. Ms. Hillis responded that if the documents still existed she would send them, even though she believed Mr. Demel had no right to see them. As set forth below, a copy of the Benefits Plan eventually was received from Ms. Hillis on or about August 20, 2001.

Labor and Employee Relations department, inquiring about relevant documents and giving further information regarding Mr. Demel's eligibility for both a disability benefit and disability retirement pension.

40. On July 11, 2002, Mr. Demel's counsel sent a letter to Ms. Carson, requesting adjudication of Mr. Demel's rights under the Benefits Plan. A copy of the July 11, 2002 letter is annexed hereto as Exhibit H. That letter also requested an explanation for why Mr. Demel was not ever given any forms or an application for applying for long term disability benefits.

41. On July 26, 2002, Ms. Carson responded by letter, refusing to submit Mr. Demel's claim to formal adjudication. Instead, Ms. Carson stated that Nortel's position is that Mr. Demel is not eligible for benefits under the Benefits Plan, despite the SSA's finding that Mr. Demel has been disabled since the date of his accident. Ms. Carson's letter did not contain any information required of a denial of claim pursuant to statute. A copy of the July 26, 2002 letter is annexed hereto as Exhibit I.

42. In Ms. Carson's July 26, 2002 letter, she acknowledged that Mr. Demel had been seeking a resolution of his claim for benefits under the Benefits Plan "for years" prior to her letter.

43. On February 26, 2004, another letter was sent on behalf of Mr. Demel. This letter was addressed to Ruth Hillis, of Nortel's Employee Benefits Committee, and the Plan Trustee. This letter again requested formal adjudication of Mr. Demel's claim under the Benefits Plan. After counsel for Mr. Demel subsequently contacted Nortel by telephone, Ms. Paula Holden responded to this letter on behalf of the Nortel Employee Benefits Committee on July 12, 2004. This July 12, 2004 letter provided Mr. Demel with the information necessary to pursue an

44. Later, a November 12, 2004 letter written by a representative of The Prudential Insurance Company of America denied Mr. Demel benefits pursuant to the Benefits Plan. That November 12, 2004 letter also provided Mr. Demel with the information necessary to pursue an administrative review of his claim. A copy of the November 12, 2004 letter is annexed hereto as Exhibit L.

45. As set forth more fully below, Mr. Demel pursued that review to no avail.

Retirement Plan

46. On May 30, 2001, Mr. Demel's counsel sent Ms. Hillis a letter stating, *inter alia*, that due to Mr. Demel's favorable SSDI decision, he met "the standard of § 4.4.2.1" for an award of a disability retirement benefit under the terms of the Retirement Plan. Section 4.4.2.1 provides that a member of the Plan "is eligible to receive a Disability Insurance Benefit as provided in the Social Security Law of the United States of America." The letter added: "If you do not agree, please explain why, and indicate whether in stating your opinion you are issuing a final or non-final decision on behalf of the Plan." A copy of the May 30, 2001 letter is annexed hereto as Exhibit M.

47. On June 14, 2001, Ms. Hillis sent Mr. Demel's counsel a letter stating, *inter alia*, that she was "not the administrator of the plan," that her "prior letter" had been intended only to address counsel's "request for particular information," and that "[i]f Mr. Demel desires to file a formal claim for benefits under the Retirement Plan he should send such a claim to the Employee Services address at P.O. Box 1310, Mailstop 11A0110B5, Research Triangle Park, North Carolina." A copy of the June 14, 2001 letter is annexed hereto as Exhibit N.

from Ms. Hillis a portion of the Retirement Plan along with a copy of the Benefits Plan, but not the SPD. This response was received only after counsel for Mr. Demel wrote to Nortel on June 22, 2001 and August 8, 2001. Unfortunately, the copy of the Retirement Plan was incomplete as it only included certain excerpted pages. Ms. Hillis' cover letter stated that the short term disability benefits paid to Mr. Demel immediately after his accident were part of a "salary continuation program," not an ERISA plan. No documentation was provided to support this statement. A full copy of the Retirement Plan was received by Mr. Demel's counsel on August 27, 2001.

49. On September 26, 2001, Mr. Demel's counsel wrote to the Plan Administrator at the address provided by Ms. Hillis, enclosing a copy of the Amended SSA Decision. The letter reiterated the reasons Mr. Demel was entitled to benefits under the Retirement Plan. The letter also requested that Mr. Demel's counsel be sent any forms that needed to be filled out, asked that his counsel be informed if any further medical evidence was needed, and stated that it should be treated "as a formal request for a favorable decision." A copy of the September 26, 2001 letter is annexed hereto as Exhibit O.

50. Nortel responded to the September 26, 2001 letter with an October 3, 2001 letter from Charlotte Cox, an employee of Pricewaterhouse Coopers, that was only two sentences long and flatly stated that Mr. Demel was not entitled to benefits. No reasoning or authority was cited. On October 9, 2001, counsel for Mr. Demel requested an explanation for that conclusion and a clarification regarding who the plan administrator was and what Pricewaterhouse Coopers' role was with respect to administering the Retirement Plan. Receiving no response, counsel for Mr. Demel wrote to Ms. Cox again on January 9, 2002, renewing his request for information.

51. As mentioned above, on July 9, 2002, Mr. Demel's counsel telephoned Barbara Carson of Nortel's Labor and Employee Relations department, inquiring about relevant documents and giving further information regarding Mr. Demel's eligibility for both a disability benefit and disability retirement pension. In addition, the July 11, 2002 letter mentioned above requested information from Nortel regarding the Retirement Plan.

52. On February 10, 2004, Nortel sent to Mr. Demel a letter responding to an inquiry made by him regarding his entitlement to Retirement Benefits. In this February 10, 2004 letter, Nortel contended that Mr. Demel had no vested benefit in the Retirement Plan. A copy of this February 10, 2004 letter is annexed hereto as Exhibit P.

53. On July 26, 2004, Nortel sent to Mr. Demel a letter denying his claim for benefits under the Retirement Plan. A copy of this July 26, 2004 letter is annexed hereto as Exhibit Q. Mr. Demel appealed this determination, as further set forth below.

Final Adjudication

54. After repeated efforts by counsel to have Mr. Demel's claims reviewed, in 2005 Nortel finally adjudicated Mr. Demel's claims under the Benefits Plan. As Mr. Demel had reached retirement age, Nortel also adjudicated Mr. Demel's claims for retirement benefits under the Retirement Plan.

55. Mr. Demel's claims for disability retirement benefits under the Retirement Plan were finally considered by Nortel in 2005. Mr. Demel's claim under the terms of the Retirement Plan was denied in a letter dated January 31, 2005, from Mr. John Scannapieco, on behalf of the

56. Mr. Demel's claims for Long Term Disability Benefits under the Benefits Plan also were denied on June 7, 2005. A copy of this June 7, 2005 letter is annexed hereto as Exhibit S.

57. Having exhausted all of his administrative remedies, Mr. Demel now brings suit. To the extent any further administrative remedies are available to Mr. Demel, pursuing such remedies would be futile.

FIRST CLAIM FOR RELIEF
(Breach of the Benefits Plan)

58. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 57 above as if set forth more fully herein.

59. According to the Benefits Plan, "[an employee is] considered totally disabled at any time [he is] unable to work because of disease or injury."

60. Under the Benefits Plan, during the first 24 months of "total disability," an employee is considered "unable to work" if he cannot work at the type of occupation in which he normally engages and this period only ends when an employees starts work at any "reasonable occupation." Vocational rehabilitation or part-time work for the purposes of vocational rehabilitation do not constitute a "reasonable occupation" under the Benefits Plan.

61. Upon information and belief, the five (5) week training program attended by Mr. Demel at Nortel's request and the temporary warehouse position to which he was assigned following the training constituted vocational rehabilitation under the Plan and was not a "reasonable occupation."

rehabilitation program “[an employee] will not lose [his] eligibility for benefits.”

63. Under the terms of the Benefits Plan, Nortel was required to keep Mr. Demel on short term disability benefits during his training and temporary assignment.

64. The Defendants failed to explain to Mr. Demel that he was being removed from short term disability and to explain the consequences of such an action to his rights under the Plan as required under ERISA and the Plan. In doing so, the Defendants failed to afford him the opportunity to dispute their decision at that time.

65. Defendants’ wrongful termination of Mr. Demel’s short term disability benefits under the Plan resulted in his purported ineligibility for long term disability benefits and the denial of retirement benefits.

66. Defendants wrongfully denied Mr. Demel benefits in contravention of the terms of the Benefit Plan.

67. As a result of the foregoing, Mr. Demel is entitled to recover benefits pursuant to ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B), including an order directing Defendants to pay all benefits wrongly withheld.

SECOND CLAIM FOR RELIEF
(Breach of the Retirement Plan)

68. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 67 above as if set forth more fully herein.

69. Section 2.1.4 of the Retirement Plan provides that a new employee shall become a member of a plan “on the later of the first anniversary of the date that he commenced his

employment and age 25.” Mr. Demel became a member of the Retirement Plan on August 17, 1982.

70. Section 4.4.1 of the Retirement Plan provides that a disability pension will be provided to a plan member who is rendered totally and permanently disabled. Section 3.1.4 of the Retirement Plan provides for the accrual of Benefit Service, as defined therein, for plan members who are totally and permanently disabled provided the plan member had accrued one year of Vesting Service, as defined therein. At the time he became totally and permanently disabled, Mr. Demel had accrued more than one year of Vesting Service.

71. Section 4.4.2.1 of the Retirement Plan states that an active member will be considered totally and permanently disabled if “[h]e is eligible to receive a Disability Insurance benefit as provided in the Social Security Law of the United States.”

72. On March 22, 1999, the Amended SSA Decision found that Mr. Demel was eligible to receive a disability insurance benefit as provided under the Social Security Law of the United States and that his disability began while he was an active member of the Retirement Plan on February 3, 1984.

73. Section 502(a)(1)(B) of ERISA, 29 U.S.C.A. § 1132(a)(1)(B) provides that an action may be brought by a plan beneficiary “to enforce his rights under the terms of the plan.”

74. Defendants, through their actions and omissions, have prevented Mr. Demel from receiving benefits to which he would be entitled under the terms of the Retirement Plan.

75. As a result of the foregoing, Mr. Demel therefore is entitled to recover benefits pursuant to ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B), including an order directing Defendants to pay all benefits wrongly withheld and to make the future payments that would be due him as a recipient of a disability retirement pension.

76. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 75 above as if set forth more fully herein.

77. Pursuant to § 404 of ERISA, 29 U.S.C. § 1104, Defendants had a fiduciary duty to discharge their duties “solely in the interests of the participants and beneficiaries” of a plan.

78. Despite their knowledge of his impaired physical and mental condition and the significant possibility of his eligibility, Defendants failed to fulfill their fiduciary duty to Mr. Demel when they failed to provide any assistance to him in making a claim for long term disability or retirement benefits at the time he became disabled and for several years thereafter.

79. In failing to fully inform Mr. Demel of his rights at the time he became disabled and in their administration of the plans, Defendants failed to meet the requirements of § 503 of ERISA, 29 U.S.C. § 1133. Defendants failed to “provide adequate notice in writing to any participant or beneficiary whose claim for benefits under the plan has been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the participant” and failed to provide a reasonable opportunity for fiduciary review of the denial of his claim.

80. Defendants administered the claims procedure in a manner “that unduly inhibits or hampers the initiation or processing of claims for benefits,” contrary to Federal regulations. 29 C.F.R. § 2560.503-1(b)(3).

81. Defendants failed to implement the Plan in a manner that provides Mr. Demel with “administrative processes and safeguards designed to ensure and to verify that benefit claim determinations are made in accordance with governing plan documents.” Defendants also failed

82. Defendants failed to provide Mr. Demel with reasonable claims procedures, in violation of Federal regulations promulgated by the Secretary of Labor, to implement § 503 of ERISA, 29 U.S.C. § 1133. 29 C.F.R. § 2560.503-1.

83. In the event that relief cannot be granted under ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B), this Court should grant Mr. Demel equitable relief under § 502(a)(3) of ERISA, 29 U.S.C. § 1132(a)(3) so as to have redress for Defendants’ violations of Title I, in that those violations, separately or in combination, prevented him from obtaining benefits that otherwise would have been due under the terms of the plans.

84. Appropriate equitable relief under these circumstances would include a decision declaring Mr. Demel’s eligibility for benefits and/or the issuance of an injunction requiring Defendants to permit Mr. Demel to apply for benefits and have his claim adjudicated on its merits.

WHEREFORE, Plaintiff Ernest Demel respectfully requests that judgment be awarded against Defendants as follows:

- a. On the First Claim For Relief, that Defendants pay damages sustained by Plaintiff as a consequence of their breach;
- b. On the First Claim For Relief, a declaration that Plaintiff is entitled to short term and long term disability benefits under the terms of the Benefits Plan;
- c. On the Second Claim For Relief, that Defendants pay damages sustained by Plaintiff as a consequence of their breach;

d. On the Second Claim For Relief, a declaration that Plaintiff is entitled to benefits under the terms of the Retirement Plan;

e. On the Third Claim For Relief, that Defendants pay damages sustained by Plaintiff as a consequence of their violation;

f. On the Third Claim For Relief, a declaration that Plaintiff is entitled to have his claim adjudicated on its merits;

g. On all counts, reasonable costs, expert witness fees and attorneys' fees;¹
and

h. Any and all other relief as the Court may deem just and proper.

New York, New York

Dated: January 9, 2007

By: Mary Stearns
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¹ The reasonable attorneys' fees of Legal Services for the Elderly are not being sought in this action.

02.50 per visit
(5000 payable under new plan)

Age
28.2 years
m/1 thru 12/31

total Wisdom Teeth
100%
80%
20%



210 - 20 WA
LTD - after 6th
ST

File for LTD in
GROUP of ST
BENEFITS in 42
PLAN of 57

LTD - Form 877
Sent 7/10



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Sale
Rev
at

Your Benefit Plan

The Plan Summary issued to you as a part of this Booklet summarize coverages and amounts that are available to you.

You will become covered for the benefits described only if you are eligible for each coverage as required and agree to make any required contributions.

Source of Benefits — The Employee Term Life and Accidental Death and memberment Insurance and Dependents Term Life Insurance is provided under a group insurance policy underwritten by The Prudential Insurance Company of America. The Long Term Disability and Medical Benefits are provided directly by Northern Telecom Inc. through a self-funded program underwritten by The Prudential Insurance Company of America will provide certain administrative and claim services.

NORTHERN TELECOM

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Dismemberment Insurance
and
Dependents Term Life
Insurance

Underwritten by The Prudential Insurance
Company of America

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employee in an Eligible Class shown in the Plan Summary, covered for Employee Term Life and Accidental Death and Sickness and Dependents Term Life Insurance under the Plan Summary on or after the Effective Date shown in the Plan Summary and have enrolled for the coverage.

For the Contributory Life and Accidental Death and Dismemberment 31 days after you first become eligible for that coverage, you are required to furnish evidence of your good health and that your income effective until Prudential has determined that evidence is satisfactory.

When you are away from work on the date you would otherwise be working, your coverage will not start until you return to active work.

Include your wife or husband (except in the event of divorce or remarriage), and your unmarried children who are 14 days of age but not 18 years of age. However, no dependent will be eligible while that dependent is covered under his employer's group benefits plan. A child who is a legally adopted child, any step child, foster child or child of a legal guardian may be included the same as your own child. Dependents on you for support and maintenance and lives parent-child relationship.

A child age 19 or more but less than age 25 who is a full-time student at an educational institution and depends wholly upon you for support and maintenance will also be considered your eligible dependent.

Dependents who are a dependent while covered as an employee or while retired.

Requirements for covering your dependents shown in the Plan Summary, an eligible dependent will become a dependent. However, if a dependent is confined for medical care or institutional care or at home when coverage would normally start, coverage will not be covered until given a final release by the doctor from

Your Term Life Insurance

See the Plan Summary for the amount of insurance available to you.

Your Term Life Insurance will be paid to any beneficiary you name if you die from any cause. You may change your beneficiary whenever you wish.

Insurance During Total Disability

If you become totally disabled, contact your Employer as soon as possible to determine what arrangements can be made to continue your insurance. If you become totally disabled before age 60, your Employer may pay the full amount of your Term Life Insurance while you remain totally disabled. To have your Employer pay the cost of this insurance, you must furnish proof of total disability between nine and twelve months after the disability commenced, if required thereafter. Should you die during the first 12 months of total disability, your insurance will be paid even if you had not furnished proof of disability or premiums had not been continued.

Change To An Individual Policy

During the 31 days following termination of your employment, you may change your Group Term Life Insurance, without having to furnish evidence of good health, to one of a number of Prudential individual life policies. The new policy will be effective at the end of the 31-day period, and the premiums will be the same as you would ordinarily pay if you applied for an individual policy at that time. If you die during this 31-day period, your Group Term Life Insurance will be paid whether or not you have applied for an individual policy.

The amount of any reduction in your Term Life Insurance due to your retirement at age 70 or retirement may be changed to an individual policy under the same conditions described above.

Certificate

Refer to your Certificate at the end of this booklet for additional information about your life insurance.

Accidental and Dismemberment Insurance

may for the amount of insurance available to you.

be paid for any of the following losses as the result of an on or off the job while you are insured. It is payable regard-
ance

Full Amount of Insurance
(Paid to your beneficiary)

Full Amount
of Insurance
(Paid to you)

One-half the
Amount of
Insurance
(Paid to you)

with and Dismemberment Insurance does not cover loss that
90 days after the accident, nor any loss resulting from war
red, war and armed aggression), suicide, attempted suicide,
infirmity or disease, or an infection other than a pyogenic
infectious cut or wound.

for all losses due to any one accident will not be more than
insurance.

icate at the end of this booklet for additional information on
ath and Dismemberment Insurance.

Term Life Insurance For Your Dependents

The amount of Term Life Insurance shown in the Plan Summary will be
you if one of your covered dependents dies.

Change To An Individual Policy

During the 31 days following termination of your employment, arrang
may be made to change each dependent's term life insurance to o
number of Prudential Individual life Insurance policies without the
furnish evidence of good health. The policy will be effective at the end o
day period, and the premium will be the same as would ordinarily be p
individual policy were applied for at that time. If a dependent dies durin
day period, the dependent's Term Life Insurance will be paid whether o
individual policy was applied for.

This privilege also is available for a covered dependent if you should
the dependent ceases to be eligible for the Term Life Insurance.

Certificate

Refer to your Certificate at the end of this booklet for additional informa
your Dependents Term Life Insurance.

ation of nce ions

OF INSURANCE

If terminate if you cease to be a member of the eligible classes, insurance is discontinued. The contributory insurance will terminate your contributions.

work will be considered to be immediate termination of employment if you are absent from active work because of sick leave, temporary lay-off, or leave of absence, employment may be terminated for the purposes of some of the coverages up to the limits of the group contract.

If you work for any reason, you should find out immediately from your employer what coverages, if any, can be continued in force so that you may exercise any rights you may have under the plan.

Insurance Only

Insurance will terminate when the dependent ceases to be an insured person. If your coverage terminates, the plan terminates, or you fail to make a contribution.

RTIFICATES

described more fully in the certificate at the end of this booklet. The insurance for each individual is governed at all times by the terms of the Group Insurance policy or policies issued by Prudential.

Part II Long Term Disability, Medical Expense and

Dental Expense Benefits

These benefits are provided by Northern Telecom Inc. under a self-insured program. Under this program, The Prudential Insurance Company of America will provide certain administrative claim services.

Your Long Term Disability Benefits

This plan will pay you Monthly Income Benefits for a period of total caused by an accidental bodily injury or disease. There is a wait which must elapse before benefits become payable. This is described in the Plan Summary.

Total Disability

You are considered totally disabled at any time that you are unable to work because of the disease or injury.

During the first 24 months of a period of total disability, you will be considered unable to work if you cannot work at the type of occupation in which you normally engage.

After the first 24 months of a period of total disability you will be considered unable to work only if you are unable to work at any reasonable occupation is any gainful activity for which you are fitted, educated, training or experience, or for which you could reasonably be fitted.

The rules for determining a "period of total disability" are spelled out on the following page.

Monthly Income Benefit

This benefit for each month is based upon 70% of your "Monthly Rate Earnings" before you become totally disabled, but the benefit is reduced by "other income benefits" you receive for that month.

When Benefits Begin

Your Monthly Income Benefits will start as soon as you complete the information shown in the Plan Summary, if written proof of your total disability is furnished to Prudential within six months following completion of the period. If not, benefits will commence on the day six months preceding written proof is furnished.

How Long Benefits are Paid

You will continue to receive Monthly Income Benefits while you remain disabled, up to the end of the Maximum Benefit Period shown in 1 Summary.

Period of Total Disability

Since benefits are payable only during a period of total disability, it is important that you understand when this period begins and ends.

al disability will start as soon as you are both totally disabled
e of a physician. You will not be considered to be under the
an more than 31 days before he has seen and treated you
disease or injury causing the total disability.

al disability will end when any one of the following occurs:

a totally disabled or you die.

art working at any reasonable occupation. Work at an Ap-
tion Program as defined later will not count as work at a
ation
a under the care of a physician.

ish the latest required proof of the continuance of your total
an of refuse to be examined by a physician designated by the

total disability has ended, any new period of disability will be
However, two separate periods of total disability resulting
related causes which are separated by less than 3 months will
one period.

tributed for combining two periods of total disability into one
ply to any additional periods of total disability resulting from
d causes. Two periods will not be combined unless you were
benefit at the start of the earlier period.

enefits
'Other income benefits' as

ed from any employer or from any occupation for compensa-
remand, or unemployment benefits required or provided for
a government — for example,
me of compensation benefits,
or permanent disability benefits under any workers' com-
or any other similar law, which are intended to compensate
· (i) loss of past and future wages, (ii) impairment of earning
inished ability to compete in the open labor market, and (iii)
permanent impairment or loss of bodily function or capacity.

age replacement benefits,
disability benefits,

nder the Federal Social Security Act, the Canada Pension Plan,
ic Pension Plan, including dependents benefits, but not count-
ase in benefits enacted after the monthly LTD benefit pay-
acted.

(3) Disability, retirement or unemployment benefits provided under a
insurance or pension plan or any other arrangement of coverage for ir
in a group (whether on an insured or uninsured basis).

Benefits listed above payable to you or your spouse, children or deper
reason of your disability or retirement are included as "other income"

For the purposes of this plan, "other income benefits" will be deter
follows:

(1) Any periodic payments will be allocated to monthly periods.

(2) Any single sum payment including any periodic payments whic
your spouse, children or dependents could have elected to receive if
sum, will be allocated to sixty monthly periods.

(3) Any periodic or single sum payments received as a retroactive av
be allocated retroactively.

Monthly Rate of Basic Earnings

Your monthly rate of basic earnings will be determined from the ru
which applies to you, and separately for each period of total disability
active change in your rate of earnings will be considered to take effe
date the new rate is determined.

For all regular hourly and salaried employees — The employee's basic
pay rate in effect for the last complete payroll period before the sta
period of total disability, excluding bonuses, overtime pay or any ot
compensation. If the employee is a piece worker, his average month
work earnings over his basic monthly pay rate for the three months b
start of the period of total disability will be added to his monthly rate
earnings.

Commissioned Salesmen — One twelfth of the total income received
employee's employer, including commissions, for the last full calen
just before the start of the period of total disability. If the employee
been employed for a full calendar year prior to the commencement
period of total disability, his average monthly income from his empl
cluding commissions, for the 12 months immediately preceding the sta
period of total disability, or the number of months so employed if less
if the calculation is based on fewer than 12 months employment, the
ee's monthly rate of basic earnings will not exceed \$500.

Executives eligible for an incentive bonus — The employee's basic mor
rate in effect for the last complete payroll period before the start of the f
total disability, plus his average monthly bonus for the preceding two f
dar years before the start of the period of total disability, but exclu
other extra compensation.

Approved Rehabilitation Program

An "approved rehabilitation program" means

(1) a program of vocational rehabilitation, or

re-time work for purposes of rehabilitation,
idered to begin only when the Plan approves it in writing, and
an withdraws its approval.

his rehabilitation program to help you get back to work. With
l, you can continue receiving LTD benefits for a limited time
ved rehabilitation program. Thus, you may get back into a
i with the assurance that for a specified period you will not
y for benefits. During this period, your monthly LTD benefit
r payment less 80% of your earnings from the rehabilitative
uses of a vocational rehabilitation program may be paid. If
as that a program that should make you self-supporting is
onditions for payment. If you agree to undertake the pro-
for the covered expenses will be paid, up to \$10,000.

a licensed practitioner of the healing arts acting within the
se; except that with respect to a period of total disability, or
if, during which total disability is caused by any condition
ally determinable physical impairment, "physician" shall
alified physician who either specializes in the practice of
e or has, by reason of training or experience, a specialized
field of psychiatric medicine sufficient to render the neces-
sary treatment of mental illness.

e of injury — If, at the time you become covered for Long
benefits, you have recently been treated for any condition, a
bility that starts within the first 12 months that you are
long-term Disability Plan will not be covered if its causes are
o the causes of the condition for which you were treated. A
ndition is a disease or injury for which you received treat-
ment, or drugs or medicines which were prescribed or recom-
mended by a physician, during the three month period just before you last
received this benefit.

l for any disability which is in any way caused by any of the
-inflicted injuries.
1 of a felony.

of war (whether war is declared or not), insurrection, re-
sistance, or riot or civil commotion.

Medical Expense Benefits

Foreword

The benefits described on the following pages are designed to help you
expenses in connection with medical care. The Medical Expense Ben-
any, for which you may cover your dependents, are specified on the
Summary. Benefits for each of your covered dependents will be determi-
the same basis as for you except where otherwise specifically provide

Since many people receive benefits for medical care costs under more
one plan, this plan contains a "Co-Ordination With Other Benefits" pro-
which may reduce the benefits of this plan in the event there is other cov-
How this provision works is explained in the Miscellaneous Medical Ex-
Provisions section. That section also contains exclusions which apply to
the Medical Expense Benefits.

Certain terms used in this Booklet have special meanings. They are defini-
the General Provisions Section.

II Expense

5

3 Hospital Expense Benefit for Board and Room Charges and
arges in connection with a hospital confinement caused
: occupational disease or non-occupational injury.

Charges

4 e is equal to the actual charges made by a hospital for board
h day of confinement in a private room, benefits will not be
and room charges in excess of the Private Room Limit
Summary. Benefits will be payable for the Maximum Period
in the Plan Summary.

Charges

5 e is equal to the actual charges made for the miscellaneous
ies listed below during the period for which board and room
le. Benefits will be payable for the Maximum Period of Bene-
lan Summary.

6 miscellaneous services and supplies for which hospital ex-
: payable are the following.

7 ade by a hospital in its own behalf for necessary services and
an board and room.

8 ade by an agency other than a hospital for necessary profes-
service to or from the hospital, up to a maximum amount of
one continuous period of disability.

9 ade by a physician who is not the operating physician or his
administration of anesthetics other than local infiltration

1 of Disability

0 for one period of hospital confinement up to the Maximum
shown in the Plan Summary. For you, two or more periods of
ant be considered one period of hospital confinement unless
by your return to active work. For a dependent, all periods of
ant separated by less than three months are considered one
confinement unless due to entirely unrelated causes.

Limitations

As this coverage is intended for hospital expenses, benefits are payable under the following conditions.

1. The person must be confined in a hospital.
 2. The Hospital Benefit covers Miscellaneous Charges only if they are inci-
during a period for which benefits are payable for Board and Room Cha-
This requirement will be waived if treatment is given in a hospital and the
hospital charge is for services and supplies rendered in connection with ar
the same day as a surgical procedure or is for emergency treatment
non-occupational injury, given on the day of the injury or the next follo-
day.
 3. Confinement must commence while the person is covered for this ber
- No benefits are payable for charges for the services of any physician or ir
or for any private duty or special nursing services, regardless of whethe
services are rendered under the direction of the hospital or otherwise, c
charges described in the Medical Expense Benefits Exclusions.

If a confinement is in a distinct part of an institution which meets bot
definition of a hospital and of a convalescent facility, then the benefits, if
payable for that confinement will be determined on the basis of the bel
payable for convalescent facility confinement rather than those for a ho
confinement.

Convalescent Facility Expense Benefits

Pay a Convalescent Facility Expense Benefit for Board and Room and miscellaneous Charges in connection with a convalescent facility caused solely by a non-occupational disease or non-occupational

Excluded Charges

Payable is equal to the actual charges made by a convalescent facility during a Convalescent Period. However, the benefit payable for confinement in a private room will not exceed the facility Private Room Limit shown in the Plan Summary. Benefits are for the Maximum Period of Benefits during a Convalescent Period shown in the Plan Summary.

Charges

Payable is equal to the actual charges made for the miscellaneous charges listed below during a Convalescent Period. The benefit payable is subject to the Maximum Period of Benefits during a Convalescent Period shown in the Plan Summary.

For miscellaneous services and supplies for which Convalescent Expense Benefits are payable are the charges made by a convalescent facility on behalf for the following.

Medical treatment rooms; x-ray and laboratory examinations; physical, occupational speech therapy; oxygen and other gas therapy; and other services customarily provided by a convalescent facility except private nursing services or physician services.

Medical supplies, solutions, dressings and casts but no other supplies.

Convalescent Period

"Convalescent period" — In order for a convalescent period to be payable, an individual must have been confined in a hospital for at least three days and then, within 14 days following the termination of the confinement, become confined in a convalescent facility to receive services and physical restoration services for convalescence or disease which caused the hospital confinement. The convalescent period will begin on the first day of that confinement in the convalescent facility and even though there may be several confinements in a Convalescent Period will continue until there has been a consecutive day during which the individual has been free of any type of institution providing nursing care.

Limitations

Since Convalescent Facility Expense Benefits are intended to cover expenses while convalescing from a disease or injury, Convalescent Facility Expense Benefits will be paid only under the following conditions.

1. The charges must be for services and supplies which are solely during a convalescent facility confinement and for convalescing from disease or injury which caused the confinement.
 2. The charges must be other than in connection with care for mental disorders. Mental disorders include (but are not limited to) senile deterioration, alcoholism, chronic brain syndrome and mental retardation.
- If a confinement is in a distinct part of an institution which meets the definition of a hospital and of a convalescent facility, then the benefit payable for that confinement will be determined on the basis of the charges payable for convalescent facility confinement rather than those for a confinement.

No benefits are payable for charges incurred unless both the hospital confinement for a particular disease or injury and the following convalescent confinement commence while the family member is covered for this benefit nor for any charges described in the Medical Expense Benefits Exclusions.

cal Expense its

pay a Surgical Expense Benefit for the services described in this section with the diagnosis or treatment of a non-occupational occupational injury equal to the usual and prevailing charge for

prevailing charge" is a charge by a physician for a service to the physician. The charge is reasonable and is not greater than the usual fee charged for service by physicians in the area with training, experience, and standing similar to that of the physician performing the service.

equal to the usual and prevailing charges made by the operating physician performing a surgical procedure. However, the benefit for Elective procedures performed without an affirmative second or third surgical opinion shall be 80% of the usual and prevailing charges made by the physician.

procedure" is any procedure in one of the following categories performed by a physician.

1, excision, or electrocauterization of any organ or part of the body.

2, the reduction of a fracture or dislocation.

3 of a wound.

asthenocasts.

cedure" also means any obstetrical procedure.

3 post-operative examination by the physician performing the procedure. The post-operative care required by and directly related to the procedure shall be considered as part of the surgical procedure.

affits are also payable for the following oral surgical procedures.

1 of partially or completely unerupted teeth.

2 of a tooth root without the extraction of the entire tooth (not including canal therapy).

or open reduction of fractures or dislocation of the jaw.

n or excision procedures on the gums and tissues of the mouth performed in connection with the extraction of teeth.

For the purposes of the oral surgery covered by the benefit, the term "physician" includes a duly licensed dentist.

Surgical Assistance Charges

This benefit is equal to the usual and prevailing charges made by a physician for Surgical Assistance Services given in connection with a surgical procedure or obstetrical procedure for which Surgical Expense Benefits are payable under this plan.

Surgical Assistance Services are the services of a physician for necessary surgical assistance given to the operating physician while the patient is confined in a hospital as an in-patient and at a time when surgical assistance is not routinely available as a hospital service. Prudent will determine if a surgical procedure requires technical assistance and whether surgical assistance is routinely available.

Limitations

Surgical Expense Benefits will be payable only for services performed by the person is covered for this benefit.

Benefits will not be payable for cosmetic surgery unless necessary for the repair of a non-occupational injury.

Benefits will not be payable for any services performed by a resident or intern of a hospital.

Benefits will not be payable for diagnostic x-rays, laboratory services, radioactive therapy, drugs or medicines, dental work or oral surgery described in the section entitled Oral Surgery, or for charges described in the section entitled Medical Expense Exclusions.

Second Surgical Opinion Program

Surgical Opinion Program, arranged with Prudential, is aimed at medical conditions which may lead to a decision to use alternative treatment. The medical condition involved, before someone decides to have

Second Surgical Opinion Program while covered under the Second Surgical Opinion Program when

Second Surgical Opinion Program for which a surgeon has proposed to perform an alternative surgical procedure covered by the Plan (see General Provisions for Second Surgical Procedures)

Second Surgical Opinion Program while the patient is confined in a hospital as an inpatient or to an ambulatory surgical center. (Confinement in a hospital means one or more days of hospital confinement for which a charge will be made. The Second Surgical Opinion Program applies to emergency surgery or to surgery performed in a doctor's office or hospital's outpatient department.)

Second Surgical Opinion Program gives you access to the advice of one or two Board Certified Surgeons along with the opinion of your own surgeon. This advice is intended to help you determine the medical advisability of the proposed surgery, and acquaint you with possible alternative methods of treatment.

Second Surgical Opinion Program by phoning or writing:

Prudential Insurance Company
Box 700
Washington, PA 19034
(610) 568-5322

When the names of two or three specialists participating in the Second Surgical Opinion Program are provided, the names of the specialists will be selected on the basis of location, so that the specialists will not have to travel far from home or work to obtain a second opinion. After you choose a specialist from the names provided, Prudential will confirm an appointment in writing.

Prudential will arrange for the completion of a claim form for the second opinion program. There is no cost to the patient for this opinion. The specialist will be paid for the bill directly to Prudential for payment. The cost of the second opinion program is covered by the cost of any additional X-ray and laboratory tests which may be required.

Second Surgical Opinion Program does not confirm the advisability of the proposed surgery, a third opinion may be arranged (and will be paid for) in the event the second opinion is not confirmed.

When elective surgery is proposed, it is up to you to decide whether to use the Program and, if it is used, the extent to which any advice given by a specialist or specialists is followed. However, the decision will affect the amount payable under the Medical Expense Benefit Plan for an elective procedure.

As indicated in the previous pages of this booklet, there is no charge for the Second Surgical Opinion Program. The medical advisability of the proposed surgery has been confirmed by a second or third opinion under the Second Surgical Opinion Program. But the benefit will be smaller if the procedure is performed without a second opinion. In this case, the eligible expense for the procedure will be 80% of the expense for the procedure otherwise be eligible.

We urge everyone to use the Second Surgical Opinion Program when surgery is proposed. An opinion confirming the advisability for surgery will give you and your dependents greater peace of mind, and a non-conflicting opinion may provide an alternative non-surgical method of treatment for a medical condition. If you do not use the Program, you will be passing up a chance to get additional medical advice at no cost to you or your dependents. Also, if you choose to proceed with elective surgery when its advisability has not been confirmed under the Program, there is a smaller benefit payable for the surgery.

Physicians Expense (Digital)

Physicians Expense Benefit for the services described in this section on with the diagnosis or treatment of a non-occupational occupational injury equal to the usual and prevailing charge for the service.

"Usual and prevailing charges" is a charge by a physician for a service to the reasonable and is not greater than the usual fee charged for the service by physicians in the area with training, experience, and similar to that of the physician performing the service.

The services of a physician for medical treatment given while the person is confined in a hospital as an in-patient.

will not include:
• on occupational treatment, eye examinations or the fitting of x-ray or laboratory services, x-ray or radioactive therapy, on aesthetic, or consultations.

A Surgical Expense Benefit is payable under this plan.

Disability

Maximum Period of Payment will be made for as many consecutive periods of disability as may occur. A "continuous period" is defined in the Hospital Expense Benefits section.

be payable, the treatment must be performed, and the person must have commenced, while the person is covered for the benefit.

payable for drugs or medicines or for charges described in the Hospital Expense Benefits Exclusions.

Physician or intern will not be included as Physicians

Diagnostic Laboratory and X-Ray Expense Benefits

This plan will pay a Laboratory and X-Ray Expense Benefit for the services described in this section in connection with the diagnosis of a non-occupational injury equal to the usual and prevailing charge for the service.

A "usual and prevailing charge" is a charge by a physician for a service to the reasonable and is not greater than the usual fee charged for the service by physicians in the area with training, experience and professional standing similar to that of the physician performing the service.

Examination Charges

This benefit is equal to the usual and prevailing charges made by a physician for Laboratory and X-Ray Services.

Laboratory and X-Ray Services are laboratory or x-ray examinations for diagnosis only given by a physician or the interpretation of the examination by a physician who is not a resident physician or intern of a hospital. Examination made in or through a hospital are not included as Laboratory and X-Ray Services unless given as out-patient care and unless no hospital expense benefit is payable for the examination under this plan.

Dental X-Rays will not be included as Laboratory and X-Ray Services unless they are given in connection with either a non-occupational injury or surgery for which Surgical Expense Benefits are payable under this plan. Covered dental x-rays, the term "physician" includes a duly-licensed dentist.

Limitations

Benefits will be payable only for examinations performed while the person is covered for this benefit.

Benefits will not be payable for charges described in the Medical Expense Benefits Exclusions.

Rental Accident Benefits

Accident Expense Benefit for covered expenses (see list in connection with a non-occupational injury).

to the amount by which the charges actually made for exceed the amount of any other Basic Medical Expense or this plan for those expenses. The maximum amount for all injuries sustained in connection with any one accidental Accident Expense Benefit Maximum shown in the

only the charges made for the following services, and are required for the treatment of the injury.

ed graduate nurse.
ice service when used to transport a person from the to the first hospital where treatment is given.
braces, crutches and artificial limbs and eyes.
s, hospital-type beds and artificial respirators.
the services recognized by this paragraph, the term a duly licensed dentist.

only if the injury is sustained by a person while cov-
ayable for any expenses incurred more than 90 days after
nt which caused that injury, or for charges described in
Benefits Exclusions.

Major Medical Expense Benefits

This plan will pay Major Medical Expense Benefits for Covered Medical expenses (as described on the following pages) incurred in connection with non-occupational disease or non-occupational injury.

Benefit

This benefit will be payable if the amount of a person's Covered Medical Expenses, incurred in any calendar year, exceeds the sum of (1) the Deductible shown in the Plan Summary and (2) the Basic Medical Expense Benefits described earlier in this Booklet, payable for such expenses. The Benefit percentage payable for these excess Covered Medical Expenses and the per Lifetime Maximum Benefit are shown in the Plan Summary.

Covered Medical Expenses

Covered Medical Expenses are the expenses listed below, if such expenses incurred while Major Medical coverage is in force for the person. If, however, any of the listed expenses are excluded from coverage because of the Medical Expense Benefits Exclusions, those expenses will not be considered Covered Medical Expenses.

Hospital Expenses — These are the charges made by a hospital in its behalf for the following.

1. Board and Room. However, if private accommodations are used, benefit will not be paid for any board and room charges over the Private Room Limit shown in the Plan Summary.
2. Necessary hospital services and supplies, other than board and room, furnished by the hospital.

Other Medical Expenses — The following charges are considered "Other Medical Expenses," provided that they have not been considered as "Hospital Expenses."

1. The fees of a physician.
2. The charges of a registered graduate nurse — other than a nurse who ordinarily resides in your home, or is a member of your family or your spouse's family.
3. The charges for the following medical services and supplies.
 - (a) Drugs and medicines obtainable only upon the prescription of a physician
 - (b) Diagnostic laboratory and X-ray examinations.
 - (c) X-ray, radium and radioactive isotopes therapy.
 - (d) Anesthetics and oxygen.
 - (e) Rental of iron lung and other durable medical or surgical equipment

and artificial eyes, but not eye examinations, eye glasses, or ambulance service when used to transport an individual from whom an injury is caused by an accident or stricken by a disease to the first treatment is given — no other charges in connection with travel.

qualified Social Worker for treatment of a specifically diagnosed nervous disorder, provided such treatment is given in accordance with the treatment program which is medically related to injury.

— Expenses incurred in connection with dental work or oral surgery performed by a Licensed Dental Practitioner, or the cost of natural teeth or other body tissues, required as a result of dental surgery occurring while covered.

of the dental work or oral surgery recognized by this par-
hysician" includes a duly licensed dentist.

—Any of the listed expenses incurred in connection with will be considered Covered Medical Expenses only if the is necessary for the prompt repair of a non-occupational while the person is covered for this benefit.

the amount of Covered Medical Expenses, in excess of Basic benefits, which must be paid before Major Medical Expense. The amount of the Deductible is shown in the Plan Summary. The Deductible will apply to each covered member of your family.

Expenses only once in any calendar year even though there may be injuries or diseases. So that Major Medical benefit payable to a Deductible late in one calendar year and soon following year, any expenses applied against the Deductible in the calendar year will reduce the Deductible for the next calendar year.

10-2 Causes injury to two or more members of your family, **10-3** if such injury will be applied, in both the calendar year in which the accident occurred and the next following calendar year, to the combined covered calendar year, as a result of the common accident.

Limit

ered, members of a person's family have eligible expenses year which are not payable because of the application of the es, and the sum of those expenses equal the Family Limit on 19 the Plan Summary, the requirement that each person has idual deductible will be waived for all covered members of y for the rest of the year and benefits will be paid for all y incurred by them during the remainder of the year.

Maximum Benefit

The Lifetime Maximum Benefit for each covered person for all Covered Expenses combined is shown in the Plan Summary.

At any time when at least \$1,000 has been counted against the M. Benefit, an individual may apply to have the total amount of his M. Benefit reinstated by submitting, at his own expense, satisfactory evidence of good health. However, on each January 1 while covered, the amount will be counted against the Maximum Benefit (but not more than \$2,000 January 1) will be restored to the Maximum Benefit, for Covered Macpenses incurred after the date of the restoration, without the need for further action on the individual's part.

Expense Benefits

Dental Expense Benefits for Covered Dental Expenses (see in connection with a non-occupational disease or non-

le during a calendar year at the applicable Coinsurance Rate Summary for Covered Dental Expenses which are specified and all and are in excess of the applicable Dental Deductible the Plan Summary.

enses are the actual charges for necessary dental treatment items that such charges are usual and prevailing for the area

all covered expenses incurred during a calendar year shall applicable Maximum Payment shown in the Plan Summary, in the next following paragraph.

expenses exceed the Maximum Payment shown in the Plan arts and all in any calendar year because of charges for initial upper and lower dentures, the Maximum Payment for that be increased by an amount equal to the next calendar year it. The Maximum Payment available for the next calendar reduced by the excess paid over the Maximum Payment for year.

penalties

Oral Examinations:

h
professionally indicated
and diagnosis

e treatment (if under age 18)

Changes shall not include charges for more than two routine ons in any one calendar year with respect to a covered

ive Dentistry, Oral Surgery and Prosthetics:

oral surgery, including excision of impacted teeth
and crowns

iriodontal and other diseases of the gums and tissues of the

iment, including root canal therapy

in onoprostheses (including dentures) for replacement of one
ral teeth extracted while covered for this benefit.

full or partial dentures

aintenance of prosthesis

ers
nistered in connection with oral surgery or other covered

es

ontia

f teeth including orthodontic appliances

Predetermination of Benefits — Charges incurred by you are eligible only the dentist's proposed course of treatment ("Treatment Plan") has been mitted to and reviewed by Prudential, and returned to the dentist showing estimated benefits. No "Treatment Plan" need be submitted if the total cost do not exceed \$300 or if emergency care is required.

A "Treatment Plan" is the dentist's report that (a) itemizes his recommended services, (b) shows his charge for each service, and (c) is accompanied by supporting X-rays where required or requested by Prudential.

Predetermination of benefits permits the review of the proposed treatment advance and allows for resolution of any questions before, rather than after work has been done. Additionally, both you and the dentist will know in advance what is covered and what the estimated benefits are, assuming remain covered.

The Deductible

The Deductible is the amount of Covered Dental Expenses which must be paid before Dental Expense Benefits are payable. The amount of the Deductible shown in the Plan Summary. A separate Deductible will apply to each covered member of your family.

The Deductible applies only once in any calendar year. So that Dental Expenses will not be subject to a Deductible late in one calendar year and again in the next following year, any expenses applied against the Deductible the last three months of a calendar year will reduce the Deductible for the next calendar year.

Family Deductible Limit

If two or more covered family members incur Covered Dental Expenses in a calendar year which are not payable because of the application of the rate deductibles, and the sum of those expenses equal the Family Limit Deductibles shown in the Plan Summary, the requirement that each person satisfy the individual deductible will be waived for all covered members of the person's family for the rest of the year.

Orthodontic Claim Payments

The claim will be paid in installments beginning when the orthodontic appliances are first inserted, and quarterly thereafter for the estimated duration of the treatment plan, as long as the patient remains covered. The installment be in equal amounts, except that the initial installment will be the initial cost made by the orthodontist up to the maximum orthodontic benefit.

Maximum Payment — The applicable Maximum Payment per calendar year for each covered member of your family is shown in the Plan Summary.

Limitations

No Dental Expense Benefits are provided under the plan for the following:

- Charges for any dental services or supplies which are included as Covered Medical Expenses under the plan of Major Medical Expense Benefits provided under this plan or under any other plan sponsored by your Employer.

supplies for which any other Basic Medical Expense Benefit is under this plan or under any other plan sponsored by your

r treatment by anyone except a dentist. However, charges for filling of teeth performed by a licensed dental hygienist under the direction of the dentist will be covered. "Dentist" means only a dentist or a physician authorized by his license to perform the procedure rendered by him.

first installation of dentures and bridgework (including crowning the abutments). When the charges are for the replacement of missing teeth, or for replacement of natural teeth all of which are already covered for this benefit.

- services and supplies that are partially or wholly cosmetic in nature

an appliance, or modification of one, where an impression was taken; the patient was covered; a crown, bridge or gold restoration for the tooth was prepared before the patient was covered; root canal treatment was performed before the patient was covered; root canal filling was performed before the patient was covered.

and replacement of bridgework or of full artificial or partial res unless one of the following conditions applies: (a) the replacement of teeth is required to replace one or more natural teeth if the person was covered for this benefit, (b) the existing denture was installed at least five years prior to its replacement and the e or bridge work cannot be made serviceable, or (c) the existing immediate temporary denture and replacement by a permanent one and done within twelve months from the date the immediate denture was installed.

the replacement of a lost or stolen prosthetic device.

an orthodontic procedure for which an active appliance was installed before the person was 3 years, if coverage started more than 31 days after the person was covered).

expenses described in the Medical Expense Benefits Exclusions.

Pretermination of Benefits, and as a part of the proof of loss "General Provisions" section of this Booklet:

it may cost you, has the right to have an oral examination of the

tion of Benefits is not made, or if any diagnostic or evaluative the Prudential may require is not furnished, the benefits payable n would otherwise be payable, to the extent Prudential cannot by the Covered Dental Expenses for the course of treatment.

Miscellaneous Medical Expense Provisions

MEDICAL EXPENSE BENEFITS EXCLUSIONS

No Medical Expense Benefits are provided under the plan for the fo

1. Charges caused by an occupational disease or an occupational injury includes any charges incurred in connection with (a) injury arising out of the course of, any employment for wage or profit or (b) disease covered by the course of, any employment, by any workers' compensation law, occupational disease law or similar legislation.

2. Charges for services or supplies which are furnished, paid for or provided for (a) by reason of the past or present service of any person in the armed forces of a government, or (b) under any law of a government (or otherwise) except where the payments or the benefits are provided or otherwise established by a government for its own civilian employees or their dependents.

If any law of the jurisdiction in which the plan is delivered to the E prohibits or restricts the application of this exclusion as to a facility operated by such jurisdiction or by any of its political subdivisions, this exclusion shall be applicable only to the extent permitted by such law.

3. Charges for services or supplies not recommended and approved by physician.

4. Charges for Unnecessary Services and Supplies. This means that any service or supply which is not reasonably necessary for the medical treatment of the patient's sickness or injury. To be considered "reasonably necessary" service or supply must be ordered by a Physician and must be commonly recognized throughout the Physician's profession as appropriate in the treatment of the patient's diagnosed sickness or injury. The service or supply must not be educational or experimental in nature, nor primarily for the purpose of medical or other research. In addition, in the case of Hospital confinement, on an inpatient or outpatient basis, the level of confinement and Hospital services and supplies will be considered "reasonably necessary" only to the extent they are determined by the attending Physician to be (a) related to the treatment of the condition involved and (b) not also scholastic education or vocational training of the patient.

5. **Change in Excess of Usual and Prevailing Charge.** This means the percentage charge for any service or supply in excess of the usual and prevailing charge as determined by the Plan. The usual and prevailing charge for a service or supply is the usual charge of the provider for the service or supply in the absence of insurance, but not more than the prevailing charge in the community for a like service or supply. A like service is of the same nature and requires the same skill, and is performed by a provider of similar training and experience. A like supply is one which is identical or substantially equivalent to the supply furnished. "Area" means the municipality (or, in the case of a large city, the sub-area) in which the service or supply is actually provided or such area as is necessary to obtain a representative cross-section of charges for the service or supply.

Medical Care (see Definitions).

COORDINATION OF BENEFITS UNDER THIS PLAN (OUR PLANS).

Our provision coordinating it with coverage the patient has under other plans is designed to guard against overpayment of benefits to control the cost of the benefits for everyone.

When a claim is made, the primary plan pays its benefits under this Plan and the benefits payable under this Plan may be reduced to the extent the benefits payable under this Plan and the benefits available under this Plan do not exceed the total of such Allowable Expenses.

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Allowable Expense — is any necessary, reasonable and customary item of expense covered at least in part by one of the Plans. If benefits are provided under the form of services, the reasonable cash value of each service rendered shall be considered both an Allowable Expense and a benefit paid.

Administration — Our Plan may release or obtain such information which is necessary for purposes of the coordination provisions or any similar provision of any other Plan. Our Plan may obtain from you information required to implement this provision.

Our Plan shall have the right to pay to any organization which has made payments under other Plans which should have been made under this Plan, any amounts which our Plan shall determine are proper for the purposes of this provision. Amounts so paid by our Plan shall be considered benefits payable under this Plan, and our Plan shall be fully discharged from liability under this Plan to the extent of such payments.

If, at any time, payments made by our Plan with respect to Allowable Expenses total more than the maximum amount necessary at that time to satisfy the intent of this provision, our Plan shall have the right to recover such overpayment.

HOW MEDICARE AFFECTS MEDICAL EXPENSE BENEFITS UNDER THE PLANS

It is recommended that your local Social Security Office be contacted for information concerning enrollment in Medicare at least 45 days before the month in which a person can qualify for coverage under the Health Insurance portion of the Social Security Act of the United States known as Medicare.

The following applies to an individual less than age 65 who is covered under our Plan and also is eligible for part A under Medicare.

The payments under our Plan are reduced by the benefits available under Medicare.

It works this way:

1. In determining a claim payment under our Plan, the first step is to calculate the amount that would be paid if the person had no Medicare coverage.
2. The above amount is reduced by the Medicare benefits for the expenses upon which the claim under our Plan is based. In determining the Medicare benefits, the person will be assumed to have full Medicare coverage (that is, both part A and part B) whether or not the individual has enrolled for the full coverage.

If Medicare benefits are paid for expenses not covered under our Plan, they will not be used to reduce our benefits. In the case of services and supplies which Medicare makes direct reimbursement to the provider, the amount of expenses and Medicare benefits will be determined on the basis of the usual and prevailing charges for the services and supplies.

PAGE UNDER A HEALTH MAINTENANCE ORGANIZATION

a Health Maintenance Organization.

other provision of the Plan to the contrary, the following person who is enrolled in a health maintenance organization shall be considered an alternate to the health benefits under this Plan:

Eligible dependent under this Plan.

Eligible dependent under this Plan.

Enrolled in a Health Maintenance Organization.

Under the above paragraph applies and who has ceased to be an eligible dependent under this Plan, may, notwithstanding any other provision of the Plan, be considered an alternate to the health benefits under this Plan, provided that the person is so enrolled.

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Termination of Coverage Provisions

TERMINATION OF COVERAGE

When your employment terminates or you cease to be a member of a health maintenance organization, your coverage under this plan will terminate. If you are required to make contributions for any part of this plan and if you fail to make such contributions, contributory coverage will terminate, unless terminated sooner for other reasons, at the end of the period for which contribution has been made. Satisfactory evidence of good health will be required before coverage can again be obtained.

Your coverage will also terminate if this Plan is discontinued.

Ceasing active work will be considered to be immediate termination of employment, except that if you are absent from active work because of illness, injury, temporary lay-off, or leave of absence, employment may be deemed to continue for the purposes of some of the coverages up to the limits specified in the Plan.

Under the long term disability coverage, if you are absent from active work because of temporary lay-off or leave of absence, your employment will be deemed to terminate on your last full day of active work prior to the start of lay-off or leave of absence.

If you cease active work for any reason, you should find out immediately from your Employer what coverages, if any, can be continued in force so that you will be able to exercise any rights you may have under the plan.

Dependents Coverage Only

A dependent's coverage will terminate at the earliest of the following dates upon discontinuance of all dependents coverage under the plan, (b) when a dependent ceases to be in the classes of employees eligible for dependents coverage, when a dependent becomes covered for employee coverage, (d) when a person ceases to meet this Booklet's definition of an eligible dependent, or when your employee coverage terminates.

Continuation of Coverage For Handicapped Children

If you have an unmarried child who is fully handicapped and covered under the plan at the time he reaches the maximum age for coverage of children dependents, the child's coverage under the plan (except any life insurance) will be continued, as long as he remains fully handicapped, until termination

age under this plan, or, if sooner, the date he no longer
in of a dependent for any reason except age.

ed fully handicapped if he is unable to earn his own living
ly retarded or physically handicapped and he depends
port and maintenance.

is fully handicapped must be submitted not later than 31
ava ceased to be covered as a dependent under this plan.
as the right to require, at reasonable intervals, proof that
fully handicapped continuously since the last proof was
child's coverage has been continued under this section
of will not be required more often than once a year. If you
injured proof, or refuse to permit medical examination of
considered to be no longer fully handicapped.

will not be continued, however, if an individual medical
been issued to him under any Conversion Privilege avail-

Extension of Benefits

Long Term Disability Coverage

If a period of total disability is in progress when your coverage terminates,
will continue to be eligible to receive the Long Term Disability Benefits as if
as they would otherwise be available under the plan.

Medical Coverage

If a person is totally disabled on the date his coverage terminates, Basic Medi-
cal Expense Benefits (except Accident Expense Benefits) during that disab-
will be extended for a period of up to three months and Major Medical Expe-
Benefits during that disability will be extended for a period of up to 12 months.
Major Medical Expense Benefits will be extended, however, only if the Medi-
cine Benefit has not been paid. This extension applies to coverage of
totally disabled individual only.

The words "totally disabled" mean that

1. You are prevented because of injury or disease from engaging in your
customary occupation and are performing no work of any kind for pay
profit; or
2. Your dependent is prevented because of injury or disease from engaging
substantially all of the normal activities of a person of like age and sex in good
health.

Extended Major Medical Expense Benefits will cease immediately when a fam-
ily member becomes covered under any other group plan for benefits of a
similar type.

Dental Expense Coverage

Benefits after termination of coverage are continued for Covered Dental Ex-
penses incurred within one month following termination and while the Plan
in force, if such charges are incurred because of a condition which existed
the date of termination and for which a period of treatment commenced was
covered.

Medical Privilege

Medical Expense Benefits are terminated through termination or transfer out of an eligible class may, subject to establishment of a Prudential individual policy of medical care benefits. The provisions of the individual policy differ from those of the Group

is available for certain covered dependents of an employee or a covered dependent who ceases to be an eligible dependent.

Individual policy must be made and the first premium paid in the termination of coverage under the Plan, and is subject to having been insured under the Plan for at least 3 months.

ation may be obtained from Prudential by anyone who is an individual policy. A form to be used for this purpose will be provided by the employer.

General Provisions

Misstatements — If any facts relevant to the existence or amount of coverage shall have been misstated, the true facts will determine whether or how much, coverage is in force.

Change or Discontinuance of Plan — It is hoped that this Plan will be continued indefinitely, but the right of change or discontinuance at any time is reserved.

Plan — This Booklet describes only the principal features of the Plan and should not be considered the plan document. The complete terms of the Plan are set forth in the plan document maintained by Northern Telecom. In the terms of that plan will govern. In the event of any question regarding interpretation of this Booklet or the proper payment of benefits, further information may be obtained from your Employer.

Multiple Coverage — If you are in the employ of or connected with two or more employers, you will not be eligible for multiple coverage under the Plan.

THE FOLLOWING PROVISIONS APPLY TO ACCIDENT AND HEALTH COVERAGE ONLY.

Definition of Physician — A licensed practitioner of the healing art, within the scope of his practice. The Long Term Disability section of this Booklet contains a special definition that applies to that coverage.

Definition of Hospital — This means only:

- (1) an institution which is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Hospitals;
- (2) any other institution which is operated pursuant to law, under the supervision of a staff of Physicians and with twenty-four hour a day service, and which is primarily engaged in providing:
 - (a) general inpatient medical care and treatment of sick and injured persons through medical, diagnostic and major surgical facilities which facilities must be provided on its premises or under its supervision;
 - (b) specialized inpatient medical care and treatment of sick or injured persons through medical and diagnostic facilities (including x-ray laboratory) on its premises, under its control, or through an agreement with a Hospital (as defined above) or with a special provider of those facilities.

In no event shall the term "Hospital" include a convalescent, nursing home, or include an institution or part thereof which (i) is used principally as a convalescent facility, rest facility, nursing facility, facility for the care of drug addicts, alcoholics, or facility for the aged, or (ii) furnishes primarily domiciliary or custodial care, including training in the routines of daily living, or is operated primarily as a school.

and Room Charges — This includes, in addition to charges for any charges which are made by an institution as a condition on a regular daily or weekly basis for other services such as services.

custodial Care — Custodial care is care which consists of services including board and room and other institutional services, furnished primarily to assist him in activities of daily living, if disabled. These services and supplies are custodial care or a practitioner or provider who prescribed, recommended or

board and skilled nursing services must be combined with therapeutic services and supplies in accordance with generally standards to establish a program of medical treatment, they are custodial care. However, to meet this test they must be furnished in an institution for which coverage is available under a program of medical treatment must be one which can be expected to substantially improve the individual's medical

Adolescent Facility — An institution (or distinct part thereof) which is one of the following tests:

engaged in and licensed to provide Skilled Nursing Services or Institutional Services to convalescing patients for compensation or reimbursement. These services on a 24-hour basis and under the full-time supervision of a registered professional nurse with licensed nursing duties at all times. Complete medical record on each patient and it has a utilization review of its patients. An institution which is a place for rest, for custodial care, for educational care of mental disorders or a place for the aged. Mental care not limited to, drug addiction, alcoholism, chronic and mental retardation.

It will be treated the same as a hospital as the term is used in the Code for physicians services.

Registered nursing services — The professional services that may be provided by a registered professional nurse or by a licensed practical nurse in a registered professional nurse.

Medical restoration services — Services which assist the patient in attaining a sufficient degree of body functioning to permit self-care in the community of daily living.

Maternity — Pregnancy, including resulting childbirth, abortion and all care that will be treated as an illness for all purposes of the Plan.

Licensed Social Worker — An individual who (a) is legally licensed in a state in which he practices and who is in private practice, (b) is engaged in social work or social welfare from a school accredited by the State Board of Social Work Education, and (c) has at least two years' work experience in social work in a hospital, out-patient clinic, medical residential care program.

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Definition of Elective Surgical Procedure — A non-emergency surgical procedure scheduled at the patient's convenience without jeopardizing the patient's life or causing serious impairment to the patient's bodily function performed while the patient is confined in a hospital as an inpatient at an ambulatory surgical center.

The elective surgical procedures are:

- Appendectomy (non-emergency)
- Arterial excision, graft or by-pass
- Arthroscopy of knee
- Cholecystectomy (excision of gall bladder)
- Colectomy (excision of all or part of the colon)
- Gastropasty (obesity surgery)
- Hemorrhoidectomy, internal and external only
- Hernia repair, inguinal
- Hysterectomy
- Ileum By-pass (obesity)
- Laminectomy (removal of intervertebral disc)
- Lens extraction (cataract removal)
- Ligation and/or stripping of varicose veins
- Miscarotomy (excision semilunar cartilage of knee joint)
- Ocular muscles, any type of operation
- Osteotomy of smaller bones (bone graft)
- Salpingectomy and/or oophorectomy (excision of any ovary and/or tube)
- Tendon lesion excision, other than digits
- Thyroidectomy, subtotal or partial (thyroid gland)
- Tonsillectomy and/or adenoidectomy
- Total knee or hip joint replacement
- Transurethral prostatectomy (prostate gland)

Of course any procedure (even those listed) will not be considered elective if the operation is of an emergency nature (that is, must be scheduled immediately, as determined by the patient's surgeon).

Definition of Ambulatory Surgical Center — A public or private institution

(1) established, equipped and operated primarily as a facility for performance of surgical procedures and meets the following requirements: (a) operated under the supervision of a staff of doctors, maintains adequate medical records and provides for periodic review of the facility and its operation by a Utilization and/or Tissue Committee composed of doctors other than those owning or supervising the facility; (b) permits a surgical procedure to be performed only by a doctor privileged to perform such procedure in the hospital in its area and requires that a licensed anesthesiologist administer the anesthetics and be present during the surgical procedure, unless local infiltration anesthetics are used; (c) provides no overnight accommodations for patients, has at least two operating rooms, one post-anesthesia recovery room and full-time services of registered nurses (R.N.) operating and most anesthesia recovery rooms; (d) is equipped to perform diagnostic x-ray and laboratory examinations and has the necessary

ed personnel to handle foreseeable emergencies, including or cardiac arrest, a tracheotomy set for airway obstruction, ink or other supply for hemorrhaging; (e) maintains written hospitals in its area for immediate acceptance of patients' implications or require postoperative confinement; or ambulatory surgical center by the state in which the center is

Second Surgical Opinion — An opinion of a board certified specialist of the patient, of the advisability of an elective operation of the patient, licensed to practice medicine and permitted to perform surgery, but prior to the performance of the proposed to perform surgery, but prior to the performance of

Surgical Opinion — An opinion of the board certified specialist of an elective surgical procedure, based on his examination of the second surgical opinion of another board certified surgeon, that the proposed elective surgical procedure is not medically necessary.

Second or Third Surgical Opinion — A second surgical opinion that confirms the advisability of the proposed procedure.

Certified Specialist — A doctor, designated by Prudential, a company of an American Board (M.D.) or Certified Specialist

CLAIM PROVISIONS

Time Limit on Certain Defenses — An individual's claim, under an insurance policy, for a loss which is incurred or which commences more than (1) year as to Long Term Disability Coverage) after the coverage becomes effective for the individual, will not be reduced or denied because there exists to the effective date, a disease or physical condition not expressly excluded from the coverage on the date of the loss.

Proof of Loss — Written proof of total disability under Long Term Disability coverage must be given to the Plan within 90 days after the end of the period shown in the Plan Summary and subsequent written proof of continuance of the disability must be furnished at such intervals as the Plan reasonably require. Written proof of loss under any other coverage not given to the Plan within 90 days after the loss.

Proof of loss must cover the occurrence, the character, and the extent of the loss.

Proof of loss under Long Term Disability coverage must also include evidence satisfactory to the Plan that you, your spouse, child or dependent have proper application, and reapplication within a reasonable time if benefits are denied, for all "other income benefits" payable. You need not make application for retirement benefits available only on a reduced basis or for disability benefits under a group life insurance policy if the payment would reduce the amount of life insurance, however, such benefits will be considered "other benefits" if applied for and received. Evidence satisfactory to the Plan that you furnished that all of the proofs required to support such application for disability benefits for other income benefits have been submitted, that such application have not subsequently been waived and of the amount of such benefits required.

Late proof may be accepted only if, under the particular circumstances furnished as soon as was reasonably possible, and, in any event except absence of your legal capacity, within one year after the time it was originally required.

No action at law or in equity may be brought to recover under the Plan within the time written proof is required to be furnished.

Payment of Claims — All accrued benefits under Long Term Disability coverage will be paid at the end of each calendar month during the period for which benefits are payable.

A Long Term Disability Benefit payable for less than a full month will be paid on the basis of one-thirtieth of the monthly benefit for each day of disability for payment.


Benefits payable for any other loss will be paid immediately upon receipt of written proof of loss. All benefits will be payable to you. However, unless you request otherwise in writing not later than the time proof of loss is filed, the Plan may pay any part or all of any benefits provided on account of hospital nursing, medical or surgical service directly to the hospital or person providing the services.

able to you, and you are a minor or otherwise not competent to receive the benefit, the Plan shall pay the benefit to the person or persons (including a trust) whom it believes is fairly entitled to it.

expense will have the right and opportunity to examine the individual whose injury or disease is the basis of a claim when may reasonably require during the period for which such benefits. The Plan will also have the right to recover any long-term Disability benefits either directly from you or by its future monthly income benefit payments.

actor. The Employer's determination in good faith (subject to the existence and duration of your employment, any and of any facts relating to your monthly rate of basic player retirement plan, will be binding on all persons for the term Disability Benefit coverage.

benefits — The Plan will be subrogated to the extent of the intelligent or judgement resulting from your right of recovery available for your medical or dental injuries. This means that you have been paid medical or dental reimbursement benefits to recover for medical or dental expenses (as a result of a claim for someone else), then the Plan is entitled to reimbursement of all or a portion of the benefits paid to you by the

**THE PRUDENTIAL
INSURANCE COMPANY
OF AMERICA** 

CERTIFIES that insurance is provided for certain Employees under
Policy G-34900

POLICYHOLDER
NORTHERN TELECOM INC.

EMPLOYEES INSURED — The Employees who are eligible to become insured under the Group Policy and the effective dates of their insurance are determined by the Eligibility Provisions of the Employee Benefit Plan Book which this Certificate is included. Termination of Insurance is governed by the Termination of Employee Insurance and Termination of Dependents Insurance sections of the Certificate.

BENEFICIARY FOR DEATH BENEFITS — See Beneficiary Provisions Certificate.

AMOUNTS OF INSURANCE — See Coverage Schedule of the Certificate

The provisions of the Group Policy principally affecting the insurance pr for eligible Employees are summarized in the Certificate. A Certificate iss an Employee replaces any certificates previously issued with respect Group Coverage or Coverages summarized. All benefits are subject in respect to the Group Policy, which alone constitutes the agreement which payments are made.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
GROUP INSURANCE CERTIFICATE

GRP 31300
CERT

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(1-10)

COVERAGE SCHEDULE

3 pages which follow refer to this Schedule)

Life Insurance — Insurance Assignable only as a gift assign-

ce — The amount is described in the Plan Summary made a
the Plan Booklet in which this Certificate is included.

Tal Death and Dismemberment Insurance — Insurance As-
gift assignment.

ce — The amount is described in the Plan Summary made a
the Plan Booklet in which this Certificate is included.

Life Insurance — Insurance Assignable only as a gift

ce — The amount applicable to each of an Employee's de-
the Plan Summary made a part of the Employee Plan
is Certificate is included.

(2-101) ED 3-66

DEFERMENT OF EFFECTIVE DATE

ce: If the Employee is both disabled and away from work
otherwise become insured for Employee Insurance under a
any adjustment in the benefits under such insurance would
the date of such insurance or adjustment will be deferred
reader on which he returns to active work.

ing — If Dependents Insurance applies to an Employee, he will
insurance with respect to each of his qualified dependents,

ing — shall not become insured for any Dependents Insurance
provided for Employee Insurance.

ing — shall not be insured with respect to any qualified dependent
ance of insurability satisfactory to Prudential is required
enrollment or enrollment after previous termination of any
use of failure to contribute.

ing — dependent is confined for medical care or treatment either
or at home on the date any Dependents Insurance under a
justment thereof, would otherwise become effective with
dependent, such insurance or adjustment will be deferred

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until his final medical release from all such confinement. This paragraph
will not operate to defer the effective date of an Employee's Depen-
Term Life Insurance with respect to a child who is born to the Empli
and becomes a qualified dependent under that insurance at fourteen
of age, while the Employee is continuously insured under that insur
with respect to one or more other dependents.

GENERAL DEFINITIONS

The Employer: When the term "the Employer" is used, it means collective
employers included under the Group Policy.

Covered Individual under a coverage: An Employee who is insured for
Employee Insurance; a qualified dependent with respect to whom an Employ
insured for Dependents Insurance.

Qualified Dependent: An Employee's spouse or unmarried child, other th
a person after that person has ceased to be a spouse of the Employee by re
of divorce or annuiment; (2) a child less than fourteen days of age; (3) a
nineteen or more years of age unless (a) wholly dependent upon the Empl
for support and maintenance, (b) enrolled as a full-time student in an ec
tional institution, and (c) less than twenty-five years of age; (4) a spouse or
who (a) has complied with all requirements for becoming insured for Empl
Term Life Insurance under the Group Policy other than the requirement th
have no protection under any Dependents Term Life Insurance of the G
Policy, or (b) has any protection under such Employee Term Life Insur
following termination of such insurance; (5) a spouse or child on active du
any military, naval or air force of any country; and (6) a spouse or child w
insured for Employee Insurance under the Group Policy.

An Employee's children include, in addition to legally adopted child
any step children, foster children or children for whom the Employee is a l
guardian provided they are dependent on the Employee for support and r
tenance and live with the Employee in a regular parent-child relationship.

A child shall not be a qualified dependent of more than one Employ
more than one Employee would otherwise be insured under the Group P
with respect to a child as a qualified dependent, the child will be consider
be the qualified dependent only of that one of such Employees with the lon
period of continuous service with the Employer according to the Policyhol
records, unless otherwise determined by the mutual written agreement c
such Employees filed with the Policyholder.

Physician: A licensed practitioner of the healing arts acting within the scop
his practice.

Prudential's Home Office: Prudential's Home Office in Newark, New Jerse
any of its other Home or Head Offices.

GRP 31300
CERT

—47—

EMPLOYEE TERM LIFE INSURANCE

LEFT WHILE A COVERED INDIVIDUAL.

a dies while a covered individual, the amount of his insurance
erage is payable when Prudential receives due written proof of

LEFT DURING CONVERSION PERIOD.

payable if the Employee dies within thirty-one days after he
covered individual and while entitled (under Section C) to a
his insurance under this Coverage to an individual policy.

al to that which might have been issued under the individual
e under the Group Policy when Prudential receives due written
whether or not the Employee applied for conversion.

IN PRIVILEGE.

easing to be a covered individual may convert his insurance
rage to an individual policy of life insurance, without evidence
he then ceases to be insured under the Group Policy by reason

of his membership in the classes eligible for such insurance or
by amendment or otherwise, of the provisions for such insur-
he eligible class of which he is a member, provided that at the
termination he has been so insured under such provisions (or
provisions and any Prudential rider or group policy replaced
visions) for at least five years prior to such termination date.

rsion shall be subject to the remainder of this Section.

individual policy will be issued only if written application and
n payment for it are made to Prudential within thirty-one days
tion.

Requirements: The individual policy must conform to the

it in excess of the amount of his insurance under this Coverage
ission. Furthermore, if such cessation occurs by reason of
n, by amendment or otherwise, of the term life insurance pro-
the Group Policy as to his class, the total amount of individual
obtainable with respect to all his life insurance then terminat-
the Group Policy shall in no event exceed the lesser of (1) the
nt of such insurance then terminating, reduced by the amount
insurance for which he is or becomes eligible under any group
ice coverage issued by any insurance carrier within thirty-one
after, and (2) \$2,000.

Form — any form of life insurance policy, other than term insur-
policy containing disability or other supplementary benefits,
tomarily issued by Prudential at the age and amount applied

Premium — based on Prudential's rate applicable to its form and a
the class of risk to which he belongs, and to his attained a
effective date.

Effective Date — at the end of the thirty-one day period during wr
cation for it may be made.

Any death benefit provided under a section of this Coverage is p
accordance with that section and the Group Policy's Beneficiary and
Settlement provisions.

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LIFE R-201

Group Employee Term Life I
Coverage LIFE

EMPLOYEE ACCIDENTAL DEATH AND
DISMEMBERMENT INSURANCE

Payable for: The Employee's loss of life, sight, hand or foot.

Loss of sight means total and irrecoverable loss of sight. Loss of a han
means loss by severance at or above the wrist or ankle.

Conditions for Benefit: All of the following —

- (1) The Employee sustained an accidental bodily injury while a cove
vidual.
- (2) The injury, directly and independently of all other causes, resulte
loss.
- (3) The loss occurred within ninety days after the injury was sustain

Amount Payable:

Life	For Loss of
Both Hands	} The Employee's am of insurance under this Coverage
Both Feet	
Sight of Both Eyes	
One Hand and One Foot	
One Hand and Sight of One Eye	
One Foot and Sight of One Eye	} One-half the Employ amount of insurance under this Coverage
One Hand	
One Foot	
Sight of One Eye	

EMPLOYMENT ACCIDENTAL DEATH AND
DISMEMBERMENT INSURANCE — Continued

n — The amount payable for all losses of the Employee as the
accident is limited to his amount of insurance under this

y loss which results —

or attempted suicide, whether the Employee is sane or in-
directly from bodily or mental infirmity or disease or medical
treatment thereof, or
action, other than a pyogenic infection occurring through and
if an accidental cut or wound, or
any act of war ("war" means declared or undeclared war and
stance to armed aggression).

this coverage is payable to the Employee, except that any
his death or becoming payable on account of his death will be
ficially or Beneficiaries determined under the Group's Policy
sion. Payment is subject to the Group Policy's Claim Provi-

Group Employee Accidental Death
and Dismemberment Insurance
Coverage AD&D (101)

DEPENDENTS TERM LIFE INSURANCE

A. DEATH BENEFIT WHILE A COVERED INDIVIDUAL.

If a dependent dies while a covered individual, the amount of insuranc
dependent under this Coverage is payable when Prudential receives
ten proof of death.

B. DEATH BENEFIT DURING CONVERSION PERIOD.

This benefit is payable if a dependent dies within thirty-one days after
to be a covered individual and while entitled (under Section C) to a co
of the insurance to an individual policy.

An amount equal to that which might have been issued under the
ual policy is payable under the Group Policy when Prudential rece
written proof of death, whether or not application for conversion h
made.

C. CONVERSION PRIVILEGE.

A dependent ceasing to be a covered individual may have the insuranc
under this Coverage converted to an individual policy of life insurance
evidence of insurability, if the Employee then ceases to be insured fo
dents Term Life Insurance under the Group Policy with respect to the
dent for any reason other than:

(1) termination, by amendment or otherwise, of the provisions for su
ance as to the eligible class of which the Employee is a member, i
the date of such termination the Employee has been so insured
spect to the dependent under such provisions (or under such pr
and any Prudential rider or group policy replaced by such provisio
least five years prior to such termination date, or

(2) the Employee's failure to make any required contribution for it
under the Group Policy.

Any such conversion shall be subject to the remainder of this Section.

Availability: The individual policy will be issued only if written applic
the first premium payment for it are made to Prudential within thirty-
after such cessation.

Individual Policy requirements: The individual policy must conform to
following —

Amount — not in excess of the amount of insurance on the depende
this Coverage at such cessation. Furthermore, if such cessation c
reason of termination, by amendment or otherwise, of the Dep
Term Life Insurance provisions of the Group Policy as to the Er
class, the total amount of individual insurance obtainable with in
all the Dependents Term Life Insurance on the dependent then t
ing under the Group Policy shall in no event exceed the lesser
total amount of such insurance then terminating, reduced by the
of any life insurance for which the Employee is or becomes elig
respect to the dependent under any group life insurance coverag
by any insurance carrier within thirty-one days thereafter, and (2

life insurance policy, other than term insurance or any disability or other supplementary benefits, then usually Prudential at the age and amount applied for.

Prudential's rate applicable to its form and amount, to which the dependent belongs, and to the dependent's effective date.

the end of the thirty-one day period during which applied be made.

Under a section of this Coverage is payable to the death of the dependent. If the Employee predeceased the benefit is payable to the estate of the dependent or, at any one or more of the following surviving relatives of husband, mother, father, children, brothers or sisters.

Group Dependents Term Life Insurance Coverage DEPL 103(1-1)

BENEFICIARY PROVISIONS

The Group Policy becoming payable on account of the will be payable to the person designated by the Employee on a form satisfactory to Prudential, subject to the section of the General Provisions.

Any, without the consent of his Beneficiary, change a written notice of the change through the Policyholder to Prudential. The new designation will take effect on the date except that it will not apply as to any amount paid under of the notice.

Beneficiary is designated and in such designation the Employee their respective interests, the Beneficiaries will otherwise provided in the Employee's Beneficiary designation Designated Beneficiary predeceasing the Employee be shared equally by any Beneficiaries who survive the of the insurance for which there is no disposition of a provided above, and any other amount of the insurance beneficiary at the death of the Employee, will be payable Employee unless otherwise provided in the Assignment

MODE OF SETTLEMENT PROVISIONS (for Employee Life Insurance)

A mode of settlement other than lump sum payment may be arranged with Prudential, subject to the provisions of the Group Policy, for all or a part of the Employee Life Insurance payable at an Employee's death. Information about the modes of settlement available may be obtained from Prudential upon request to the Policyholder.

INCONTESTABILITY OF AN INDIVIDUAL'S LIFE INSURANCE

All statements with respect to Life Insurance under the Group Policy made by a person insured therefor shall be deemed representations and not warranties with respect to each amount of such insurance for which a person is insured no such statement shall be used in any contest of such insurance unless a copy of the instrument containing the statement is or has been furnished to the Employee or to his or her Beneficiary. No statement made by a person insured under the Group Policy relating to his or her insurability for such insurance shall be used in contesting the validity of the insurance with respect to when such statement was made after such insurance has been in force prior to the contest for a period of two years during his or her lifetime.

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CERT B-102 ED 3-66

(1.

CLAIM PROVISIONS

These provisions apply to each coverage under the Group Policy which contains a specific provision subjecting the payment of benefits under the coverage to the Group Policy's Claim Provisions.

Written proof of the loss under a coverage upon which claim may be based must be furnished to Prudential within ninety days after —

- (1) the end of each month or lesser period for which Prudential is liable under the coverage, if the coverage provides for payment at such periodic intervals; and
- (2) the date of the loss, in the case of any other coverage.

Failure to furnish such proof within the required time shall not invalidate or reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible.

All benefits will be paid upon receipt of written proof covering the occurrence character and extent of the event for which claim is made; except that if a coverage provides for payment at monthly or at more frequent periodic intervals, Prudential shall not be required to make payments of benefits thereunder more often than so provided.

CLAIM PROVISIONS — Continued

Expense shall have the right and opportunity to examine sickness or injury is the basis of claim when and so often as require during pendency of claim.

Equity shall be brought to recover under the Group Policy in of sixty days after written proof of the loss upon which been furnished as required above. No such action shall be three years after the expiration of the time within which required.

ADDITIONAL STATEMENT AS TO COVERAGE
SUBJECT TO CLAIM PROVISIONS

With respect to the insurance under such coverage which are insured therefor shall be deemed representations and not subject to each amount of such insurance for which a person attempt made for the purpose of effecting such insurance entered in any contest to avoid the insurance with respect to the insurance made or to reduce benefits thereunder after such time for the contest for a period of two years during which such statement is contained in a written application copy of such application is or has been furnished to him.

TERMINATION OF EMPLOYEE INSURANCE

Insurance of an Employee under a coverage will automatically

a member of the coverage classes for the insurance be-
tween of employment (described below) or for any other

Insurance included in the coverage classes for the insurance, or if the Group Policy for the insurance terminate, or is contributory, any contribution required of him for any the Group Policy is not made when due.

Insurance — For insurance purposes, an Employee's considered to terminate when he is no longer actively a full-time basis for the Employer. However, the Group Policy under which the Policyholder may consider the Employee under the coverage classes for the insurance, subject other conditions stated in the Group Policy.

Employee stops active work for any reason, he should contact his Employer by to determine what arrangements, if any, have been made for his insurance.)

TERMINATION OF DEPENDENTS INSURANCE

An Employee's Dependents Insurance will terminate under the circumstances described in the section "Termination of Employee Insurance" as though the section's reference to "Employee Insurance" were a reference to "Dependents Insurance".

All of the Dependents Insurance under the Group Policy with respect to particular qualified dependent will automatically terminate if that dependent ceases to be a qualified dependent.

ASSIGNMENT LIMITATIONS

Insurance under a coverage is not assignable unless the Coverage Schedule indicates that it is assignable. An assignment may apply to any right, benefit or privilege of the Employee including, without limiting the generality of the foregoing, any right of the Employee to designate a Beneficiary or to convert another policy. No responsibility for the validity or sufficiency of any assignment is assumed by Prudential. Prudential shall not be considered to have knowledge of any assignment unless the original or a duplicate is filed with Prudential through the Policyholder.

If, under an insurance for which the Group Policy allows Beneficiary designations, any amount of insurance becomes payable on account of the death of an Employee and there is, as to such amount of insurance, at the Employee's death an assignment in effect but no Beneficiary designated by the assignor, such amount of insurance will be payable to the assignee, if living, otherwise to the estate of the assignee and not as otherwise provided in the Beneficiary Provisions of the Group Policy.

GRP 31300
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(4-101) ED 3-66 (1-1)

NOTICE TO EMPLOYEE

The above certificate evidences insurance protection under a Group Insurance Policy issued by THE PRUDENTIAL INSURANCE COMPANY OF AMERICA. This insurance replaces coverage previously provided under a group policy with another insurer. Your Beneficiary under the Prudential Group Policy is, unless and until you change your Beneficiary, the person designated as the beneficiary of record under the group policy of the other insurer.

If you wish to change your Beneficiary, contact your employer.

NORTHERN TELECOM INC.

Summary Plan Description

together with your booklet, is the Summary Plan Description which informs you, as a plan participant, of the provisions and employee benefit plan. This information complies with the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits Plan for Employees of Northern Telecom Inc.

Plan Number: 04-2486332

Northern Telecom Inc.

International Plaza
Nashville, Tennessee 37217

are

August 31

Employee Benefits Committee of
Northern Telecom Inc.

International Plaza

Nashville, Tennessee 37217

Telephone (615) 361-3500

Legal process: Plan Administrator

Accidental Death and Dismemberment Insurance benefits

Prudential Insurance Company of America
Plaza

J. 07101

Under the Plan are provided by Northern Telecom, Inc.

Benefits under the plan, termination rules, and information on how to obtain benefits are provided by the Employer and which by the Employee are provided in this booklet.

Booklet contains information on reporting claims. Forms for claims may be obtained from your Personnel Department.

Booklet is provided in whole or in part, you will receive a written notice of the reason for the denial.

You may request a review of the denied claim. The request must be submitted in writing, within 60 days after you receive the notice. Include your reasons for requesting the review and submit your request to the same office to which you submitted your claim. Your claim will be reviewed, and you will ordinarily be notified of the final decision within 60 days of the receipt of your request for review. The final decision will be made by The Prudential Insurance Company of America which is providing claim services under the Plan.

Your Rights under ERISA — As a participant in this plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

Examine, without charge, at the plan administrator's office and at specified locations, such as work sites and union halls, all plan documents including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan with the U. S. Department of Labor, as detailed annual reports and plan descriptions.

Obtain copies of all plan documents and other plan information upon request to the plan administrator. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of the summary annual report.

In addition to creating rights for plan participants, ERISA imposes duties on the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have your claim reviewed. Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U. S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay the costs and legal fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous, if you have any questions about your plan, you should contact the plan administrator, your Director of Personnel, or the Director of Benefits for Northern Telecom, Inc. If you have questions about this statement or about your rights under ERISA you should contact the nearest Area Office of the U. S. Labor-Management Services Administration, Department of Labor.

NORTHERN TELECOM INC.
RETIREMENT PLAN FOR EMPLOYEES

AS AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 1984

1/5/84

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DEFINITIONS AND TERMS

FOR THE PURPOSE OF THIS PLAN, THE FOLLOWING
TERMS WHEN CAPITALIZED WILL HAVE THE FOLLOWING
MEANINGS:

1.1. ACTIVE MEMBER SHALL MEAN A MEMBER WHO IS
EMPLOYED AT THE DATE IN QUESTION.

1.2. ACTUAL RETIREMENT DATE OF A MEMBER SHALL
MEAN THE LATEST OF THE DATE ON WHICH A
MEMBER:

1.2.1. RETIRES FROM THE SERVICE OF THE
EMPLOYER, PURSUANT TO SECTION 4.1.,
4.2 OR 4.3,

1.2.2. ELECTS TO COMMENCE RECEIPT OF HIS
VESTED RETIREMENT BENEFIT AS
PROVIDED IN SECTION 5.6., OR

1.2.3. COMMENCES RECEIPT OF HIS DISABILITY
RETIREMENT BENEFIT AS PROVIDED IN
SECTION 5.5.

1.3. ACTUARIALLY EQUIVALENT SHALL MEAN, WITH RE-
SPECT TO ANY BENEFITS PAYABLE PURSUANT TO
THE PLAN, BENEFITS WHICH ARE EQUIVALENT IN
VALUE TO THE STRAIGHT LIFE ANNUITY BENEFITS
WHICH WOULD OTHERWISE HAVE BEEN PROVIDED TO
A MEMBER, DETERMINED ON THE BASIS OF ACTUAR-
IAL ASSUMPTIONS AND METHODS IN EFFECT ON THE

- 1.4. AFFILIATED COMPANY SHALL MEAN
- 1.4.1. BELL CANADA, OR
- 1.4.2. ANY COMPANY WHICH IS INCLUDED WITHIN A "CONTROLLED GROUP OF CORPORATIONS" AS THAT TERM IS DEFINED FOR PURPOSES OF SECTION 414 OF THE 1954 INTERNAL REVENUE CODE, AS AMENDED, WITHIN WHICH THE COMPANY IS INCLUDED, OR
- 1.4.3. ANY SUBSIDIARY OF BELL CANADA THAT HAS ENTERED INTO AN AGREEMENT WITH BELL CANADA FOR THE RECOGNITION OF SERVICE.
- 1.5. ANNIVERSARY DATE SHALL MEAN JANUARY 1, 1975 AND EACH SUCCEEDING ANNIVERSARY OF SUCH DATE.
- 1.6. BENEFICIARY SHALL MEAN ANY PERSON DESIGNATED AS SUCH BY A MEMBER ON A FORM SUPPLIED BY THE COMMITTEE TO RECEIVE BENEFITS PAYABLE PURSUANT TO THE PROVISIONS OF ARTICLE VI OF THE PLAN. IF NO SUCH DESIGNATION IS IN EFFECT AT THE TIME OF THE DEATH OF THAT MEMBER, OR IF THE PERSON DESIGNATED HAS PREDECEASED THAT MEMBER, THEN THE TERM BENEFICIARY SHALL MEAN THAT MEMBER'S ESTATE.
- 1.7. BENEFIT SERVICE IS DEFINED IN SECTION 3.1.
- 1.8. BOARD SHALL MEAN THE BOARD OF DIRECTORS OF THE COMPANY.

1.10. COMMENCEMENT DATE SHALL MEAN THE EFFECTIVE DATE OF THE PLAN, OR WHERE APPLICABLE, THE EFFECTIVE DATE OF ANY AMENDMENT TO THE PLAN WHICH SUBSTANTIALLY INCREASES THE POSSIBILITY OF DISCRIMINATION IN FAVOR OF HIGHLY COMPENSATED EMPLOYEES, PROVIDED THAT WITH RESPECT TO THE EXTENSION OF THE PLAN BY BOARD ACTION TO ANY GROUP OF EMPLOYEES NOT PREVIOUSLY COVERED BY THE PLAN SUCH EXTENSION SHALL NOT CONSTITUTE AN AMENDMENT OF THE PLAN BUT THE EFFECTIVE DATE OF SUCH EXTENSION WILL BE A COMMENCEMENT DATE WITH RESPECT TO THAT GROUP OF EMPLOYEES.

1.11. COMMITTEE SHALL MEAN THE EMPLOYEE BENEFITS COMMITTEE OF THE COMPANY AS DESCRIBED IN ARTICLE VIII.

1.12. COMPANY SHALL MEAN NORTHERN TELECOM INC., A DELAWARE CORPORATION, OR ANY SUCCESSOR THERETO.

1.13. COOK GROUP SHALL MEAN THE CLOSED GROUP OF INDIVIDUALS WHO WERE ENGAGED IN RENDERING PERSONAL SERVICES TO COOK ELECTRIC COMPANY AND/OR THE COMPANY'S COOK ELECTRIC DIVISION PRIOR TO JANUARY 1, 1979 AND WHO MADE A ONE-TIME ELECTION WHICH WAS

1.14. EARNINGS SHALL MEAN WITH RESPECT TO EACH PLAN YEAR, THE REGULAR BASE EARNINGS PLUS SALES INCENTIVE EARNINGS PAID TO A MEMBER BY HIS EMPLOYER IN THAT PLAN YEAR, BUT WILL NOT INCLUDE ANY OTHER ITEMS OF COMPENSATION PAYABLE TO THAT MEMBER OR TO THE ACCOUNT OF THAT MEMBER IN THAT PLAN YEAR, SUCH AS, BUT NOT LIMITED TO, OVERTIME EARNINGS, BONUSES, OR CONTRIBUTIONS MADE BY THE EMPLOYER TO OR UNDER ANY FORM OF EMPLOYEE BENEFIT PROGRAM. NOTWITHSTANDING THE ABOVE, THE TERM "EARNINGS" SHALL MEAN FOR MEMBERS INCLUDED IN THE COOK GROUP, WITH RESPECT TO EACH PLAN YEAR, THE ANNUAL RATE OF BASIC COMPENSATION OF THAT MEMBER AS OF THE EARLIER OF THE END OF THE PLAN YEAR OF THE MEMBER'S TERMINATION DATE, ACTUAL RETIREMENT DATE, OR DATE OF DEATH, AS APPLICABLE. WITH RESPECT TO A SALESPERSON WHO IS A MEMBER INCLUDED IN THE COOK GROUP, AND WHO IS PAID WHOLLY, OR IN PART, ON A COMMISSION BASIS, THE TERM "EARNINGS" SHALL MEAN THE BASE DRAWING ACCOUNT OR SALARY OF SUCH SALESPERSON PAID TO THAT SALESPERSON

THE DATE ON WHICH THAT ACTIVE MEMBER
ATTAINED AGE FIFTY-FIVE (55) EXCEPT THAT IF
AN ACTIVE MEMBER ATTAINS AGE FIFTY-FIVE
(55) ON THE FIRST DAY OF A CALENDAR MONTH
THEN THAT ACTIVE MEMBER'S EARLY RETIREMENT
DATE SHALL BE THE DATE ON WHICH HE ATTAINED
AGE FIFTY-FIVE (55).

1.16. EFFECTIVE DATE SHALL MEAN MAY 1, 1974.

1.17. EMPLOYEE SHALL MEAN ANY PERSON WHO IS
ENGAGED IN RENDERING PERSONAL SERVICE TO
HIS EMPLOYER IN THE UNITED STATES, PUERTO
RICO, OR A FOREIGN COUNTRY ON A SALARIED
BASIS OR WHO IS CLASSIFIED BY THE EMPLOYER
AS AN "INSTALLER", BUT EXCLUDING:

1.17.1 ANY PERSON (OTHER THAN SUCH A PERSON
CLASSIFIED AS AN "INSTALLER")
WHO IS COMPENSATED ON AN HOURLY
BASIS,

1.17.2 ANY PERSON WHO IS A MEMBER OF ANY
COLLECTIVE BARGAINING UNIT AND WHO
IS COVERED BY A COLLECTIVE
BARGAINING AGREEMENT TO WHICH THE
EMPLOYER IS A PARTY, WHICH
COLLECTIVE BARGAINING AGREEMENT

RENDERING HIS PERSONAL SERVICES TO
THE COMPANY AND WHO IS ACCRUING
CREDIT FOR BENEFIT SERVICE PURPOSES
PURSUANT TO ANY OTHER QUALIFIED
PENSION PLAN (OTHER THAN A THRIFT
SAVINGS PLAN) TO WHICH THE COMPANY
CONTRIBUTES, AND/OR

1.17.4 ANY PERSON WHO IS A NON-RESIDENT
ALIEN AND WHO DID NOT RECEIVE
EARNED INCOME IN THE FORM OF WAGES,
SALARIES, OR PROFESSIONAL FEES, OR
OTHER AMOUNTS, RECEIVED AS
COMPENSATION FOR PERSONAL SERVICES
ACTUALLY RENDERED (EXCLUDING THAT
PART OF SUCH COMPENSATION WHICH
REPRESENTS A DISTRIBUTION OF
EARNINGS OR PROFITS), FOR LABOR OR
PERSONAL SERVICES PERFORMED IN THE
UNITED STATES PROVIDED THAT
COMPENSATION FOR LABOR OR SERVICES
PERFORMED IN THE UNITED STATES
SHALL NOT BE DEEMED TO BE EARNED
INCOME IF

1.17.4.1. SUCH LABOR OR SERVICES WERE
PERFORMED BY A NON-RESIDENT ALIEN

PERIODS NOT EXCEEDING A TOTAL OF
NINETY (90) DAYS DURING THE

APPLICABLE TAX YEAR,

1.17.4.2. SUCH COMPENSATION DID NOT EXCEED
THE AGGREGATE SUM OF THREE
THOUSAND DOLLARS (\$3,000.00),
AND

1.17.4.3. SUCH COMPENSATION WAS FOR LABOR
OR SERVICES PERFORMED AS AN
EMPLOYEE OF, OR UNDER A CONTRACT
WITH: (I) A NON-RESIDENT ALIEN,
FOREIGN PARTNERSHIP, OR FOREIGN
CORPORATION, NOT ENGAGED IN TRADE
OR BUSINESS WITHIN THE UNITED
STATES, OR (II) AN INDIVIDUAL WHO
IS A CITIZEN OR RESIDENT OF THE
UNITED STATES, A DOMESTIC PARTNERSHIP,
OR A DOMESTIC CORPORATION, IF
SUCH LABOR OR SERVICES ARE
PERFORMED FOR AN OFFICE OR PLACE
OF BUSINESS MAINTAINED IN A
FOREIGN COUNTRY OR IN A
POSSESSION OF THE UNITED STATES
BY SUCH INDIVIDUAL, PARTNERSHIP,
OR CORPORATION.

1.18. EMPLOYER SHALL MEAN THE COMPANY AND/OR ANY

OF EMPLOYMENT WITH AN AFFILIATED COMPANY.

1.20. FINAL AVERAGE EARNINGS SHALL MEAN AVERAGE EARNINGS FOR THE SIXTY (60) CONSECUTIVE CALENDAR MONTHS OF CONSIDERED HIGHEST EARNINGS OF A MEMBER DURING THE ONE-HUNDRED TWENTY (120) COMPLETED CONSECUTIVE CALENDAR MONTHS OF EMPLOYMENT IMMEDIATELY PRECEDING THE EARLIEST OF THAT MEMBER'S NORMAL RETIREMENT DATE, EARLY RETIREMENT DATE, DATE OF DEATH, OR TERMINATION DATE, WHICHEVER IS APPLICABLE, PROVIDED THAT IF A MEMBER'S TOTAL EMPLOYMENT DURING SUCH ONE-HUNDRED TWENTY (120) MONTHS IS LESS THAN SIXTY (60) MONTHS THEN, WITH RESPECT TO THAT MEMBER, FINAL AVERAGE EARNINGS SHALL MEAN THE AVERAGE EARNINGS FOR THE SIXTY (60) CONSECUTIVE CALENDAR MONTHS OF CONSIDERED HIGHEST EARNINGS OF THAT MEMBER DURING HIS TOTAL EMPLOYMENT AND ANY EMPLOYMENT WITH AN AFFILIATED COMPANY WITHIN SAID ONE-HUNDRED TWENTY (120) MONTHS.

1.21. HOURS OF SERVICE

1.21.1. - HOURS OF SERVICE SHALL MEAN:

1.21.1.1. EACH HOUR FOR WHICH AN EMPLOYEE IS DIRECTLY OR INDIRECTLY PAID, OR ENTITLED TO PAYMENT BY THE

BY THE EMPLOYER FOR A PERIOD OF TIME DURING WHICH NO DUTIES WERE PERFORMED (REGARDLESS OF WHETHER OR NOT THE EMPLOYEE HAS TERMINATED HIS EMPLOYMENT RELATIONSHIP WITH THE EMPLOYER) DUE TO VACATION, HOLIDAY, ILLNESS, INCAPACITY (DISABILITY) LAYOFF, JURY DUTY, MILITARY DUTY OR AUTHORIZED LEAVE OF ABSENCE, AND

1.21.1.3. EACH HOUR FOR WHICH BACK PAY (IRRESPECTIVE OF MITIGATION OF DAMAGES) HAS EITHER BEEN AWARDED OR AGREED TO BY THE EMPLOYER AND SHALL BE CREDITED FOR THE PLAN YEAR TO WHICH THE AGREEMENT OR AWARD PERTAINS.

1.21.2. NOTWITHSTANDING ANY PROVISIONS CONTAINED HEREIN, NO EMPLOYEE SHALL BE CREDITED WITH AN HOUR OF SERVICE UNDER MORE THAN ONE OF SECTIONS 1.21.1.1., 1.21.1.2. AND 1.21.1.3.,

CREDITED TO AN EMPLOYEE ON ACCOUNT
OF ANY SINGLE CONTINUOUS PERIOD
DURING WHICH THE EMPLOYEE PERFORMS
NO DUTIES. NO HOURS OF SERVICE
SHALL BE CREDITED PURSUANT TO
SECTION 1.21.1.1. OR 1.21.1.2. IF
PAYMENT TO THE EMPLOYEE IS MADE
OR DUE UNDER A PLAN MAINTAINED
SOLELY FOR THE PURPOSE OF COMPLYING
WITH APPLICABLE WORKER'S
COMPENSATION, UNEMPLOYMENT
COMPENSATION OR DISABILITY
INSURANCE LAWS. ONE HUNDRED NINETY
(190) HOURS OF SERVICE WILL BE
CREDITED FOR, AND IN RESPECT OF,
EACH CALENDAR MONTH IN WHICH AN
EMPLOYEE IS DIRECTLY OR INDIRECTLY
PAID BY THE EMPLOYER OR ENTITLED TO
PAYMENT FOR ONE (1) OR MORE HOURS
OF SERVICE. FOR THE PURPOSES OF
THIS SECTION 1.21., THE DEPARTMENT
OF LABOR REGULATIONS SECTION
2530.200B-2 (B) AND (C) ARE
INCORPORATED HEREIN BY REFERENCE.

1.22. LATE RETIREMENT DATE SHALL MEAN, WITH
RESPECT TO AN ACTIVE MEMBER THAT HAS

1.23. MEMBER SHALL MEAN ANY EMPLOYEE WHO IS OR BECOMES ELIGIBLE FOR MEMBERSHIP IN THE PLAN PURSUANT TO ARTICLE II.

1.24. NORMAL RETIREMENT DATE SHALL MEAN, WITH RESPECT TO

1.24.1. AN ACTIVE MEMBER, OTHER THAN A PILOT EMPLOYEE, THE FIRST DAY OF THE CALENDAR MONTH IMMEDIATELY FOLLOWING THE DATE ON WHICH THAT ACTIVE MEMBER ATTAINED AGE SIXTY-FIVE (65), EXCEPT THAT IF THAT ACTIVE MEMBER ATTAINS AGE SIXTY-FIVE (65) ON THE FIRST DAY OF A CALENDAR MONTH, THEN THAT ACTIVE MEMBER'S NORMAL RETIREMENT DATE SHALL BE THE DATE ON WHICH HE ATTAINED AGE SIXTY-FIVE (65), AND

1.24.2. WITH RESPECT TO AN ACTIVE MEMBER WHO IS A PILOT EMPLOYEE, THE FIRST DAY OF THE CALENDAR MONTH IMMEDIATELY FOLLOWING THE DATE ON WHICH THAT ACTIVE MEMBER ATTAINED AGE SIXTY (60), EXCEPT THAT IF THAT ACTIVE MEMBER ATTAINS AGE SIXTY (60), ON THE FIRST DAY OF A

1.25. PARTICIPATING COMPANY SHALL MEAN ANY COMPANY WHICH IS DESIGNATED BY THE BOARD AS A PARTICIPATING COMPANY UNDER THE PLAN AND WHOSE DESIGNATION AS SUCH HAS BECOME EFFECTIVE AND HAS CONTINUED IN EFFECT. THE EFFECTIVE DATE OF SUCH DESIGNATION AND THE PERIODS FROM WHICH THE BENEFIT SERVICE AND VESTING SERVICE OF EMPLOYEES OF A PARTICIPATING COMPANY SHALL BE CREDITED TO SUCH EMPLOYEES PURSUANT TO THE PLAN SHALL BE INDICATED ON APPENDIX A TO THE PLAN. THE DESIGNATION OF A COMPANY AS A PARTICIPATING COMPANY SHALL BECOME EFFECTIVE ONLY WHEN IT SHALL HAVE BEEN ACCEPTED BY THAT COMPANY'S BOARD OF DIRECTORS. A PARTICIPATING COMPANY MAY REVOKE ITS ACCEPTANCE OF SUCH DESIGNATION AT ANY TIME, SUBJECT TO THE APPROVAL OF THE BOARD, PROVIDED THAT UNTIL SUCH ACCEPTANCE HAS BEEN FINALLY REVOKED AS PROVIDED ABOVE, ALL OF THE PROVISIONS OF THE PLAN AS AMENDED SHALL APPLY TO THE EMPLOYEES OF THE PARTICIPATING COMPANY. IN THE EVENT THE DESIGNATION OF A COMPANY AS A PARTICIPATING

PERMITTED BY THE PLAN, THE PLAN WILL BE
DEEMED TERMINATED ONLY AS TO SUCH
PARTICIPATING COMPANY IN ACCORDANCE WITH
ARTICLE IX.

- 1.26. PLAN SHALL MEAN THE RETIREMENT PLAN FOR
EMPLOYEES OF NORTHERN TELECOM INC. AS SET
FORTH IN ITS ENTIRETY IN THIS DOCUMENT AND
THE TRUST AGREEMENT AS THIS DOCUMENT AND
THAT TRUST AGREEMENT MAY BE AMENDED FROM
TIME TO TIME.
- 1.27. PLAN YEAR SHALL MEAN EACH TWELVE (12) MONTH
PERIOD WHICH BEGINS ON JANUARY 1 OF EACH
CALENDAR YEAR.
- 1.28. PRIMARY INSURANCE AMOUNT SHALL MEAN A
MEMBER'S "PRIMARY INSURANCE AMOUNT", AS
THAT TERM IS DEFINED FOR PURPOSES OF THE
SOCIAL SECURITY LAW OF THE UNITED STATES OF
AMERICA, WHICH WOULD BE PAYABLE AT THE TIME
THAT THAT MEMBER ATTAINS NORMAL RETIREMENT
AGE BASED ON:
 - 1.28.1. THAT SOCIAL SECURITY LAW AS IT IS
IN EFFECT ON THAT MEMBER'S DATE OF
DEATH, RETIREMENT DATE OR
TERMINATION DATE WHICHEVER IS
APPLICABLE, AND
 - 1.28.2. THE CONTINUATION OF THAT MEMBER'S

THAT MEMBER'S DATE OF DEATH,
RETIREMENT DATE, OR TERMINATION
DATE, WHICHEVER IS APPLICABLE.

- 1.29. RETIREMENT DATE SHALL MEAN A MEMBER'S
NORMAL RETIREMENT DATE, EARLY RETIREMENT
DATE, OR LATE RETIREMENT DATE, WHICHEVER
IS APPLICABLE.
- 1.30. RULE OF 85 SHALL MEAN ANY COMBINATION
OF YEARS AND EMPLOYMENT SERVICE THAT WILL
EQUAL 85, WITH THE MINIMUM AGE REQUIREMENT
OF 60.
- 1.31. SPOUSE SHALL MEAN THE SPOUSE OF A MEMBER
WHO HAS BEEN MARRIED TO THAT MEMBER UNDER
THE LAWS OF THE STATE IN WHICH THE MARRIAGE
WAS CONTRACTED FOR A PERIOD OF AT LEAST ONE
(1) YEAR PRIOR TO THAT MEMBER'S DATE OF
DEATH, OR THE DATE THAT A MEMBER BEGINS TO
RECEIVE BENEFITS FOLLOWING HIS EARLY
RETIREMENT DATE OR NORMAL RETIREMENT DATE,
WHICHEVER IS APPLICABLE.
- 1.32. TERMINATION DATE SHALL MEAN THE DATE ON
WHICH THE MEMBER CEASES TO BE AN EMPLOYEE
OTHER THAN BY DEATH OR RETIREMENT.
- 1.33. TRANSFERRED MEMBER SHALL MEAN A MEMBER THAT
HAS BEEN TRANSFERRED TO A CLASSIFICATION OF

1.34. TWENTY-FIVE (25) HIGHEST PAID EMPLOYEES

SHALL MEAN THE TWENTY-FIVE (25) HIGHEST PAID EMPLOYEES OF THE EMPLOYER AS OF THE APPLICABLE COMMENCEMENT DATE, INCLUDING SUCH EMPLOYEES WHO ARE NOT COVERED BY THE PLAN ON THAT COMMENCEMENT DATE, BUT WHO ARE LATER COVERED BY THE PLAN, BUT EXCLUDING ANY SUCH EMPLOYEE WHOSE ANNUAL BENEFIT HEREUNDER DOES NOT EXCEED THE SUM OF ONE-THOUSAND, FIVE-HUNDRED DOLLARS (\$1,500).

1.35. TRUST AGREEMENT SHALL MEAN THE "NORTHERN TELECOM INC., RETIREMENT TRUST AGREEMENT" ENTERED INTO BETWEEN THE COMPANY AND THE TRUSTEES TO CARRY OUT THE PURPOSES OF THE PLAN, AS SET FORTH HEREIN, WHICH TRUST AGREEMENT SHALL FORM A PART OF THE PLAN.

1.36. TRUSTEES SHALL MEAN THE TRUSTEES SELECTED BY THE COMPANY AS SET FORTH IN THE TRUST AGREEMENT.

1.37. TRUST FUND OR FUND SHALL MEAN THE CASH AND OTHER PROPERTIES HELD AND ADMINISTERED BY THE TRUSTEES IN ACCORDANCE WITH THE PROVISIONS OF THE TRUST AGREEMENT AND THE PLAN.

TO A MEMBER, A PLAN YEAR IN WHICH THAT
MEMBER HAS AT LEAST ONE-THOUSAND (1,000)

HOURS OF SERVICE, AND IS A MEMBER.

- 1.40. PILOT EMPLOYEE SHALL MEAN ANY EMPLOYEE WITH
THE JOB RESPONSIBILITY TO PILOT AIRCRAFT
OWNED OR OPERATED BY THE COMPANY.
- 1.41. NORMAL RETIREMENT AGE SHALL MEAN THE AGE OF
AN EMPLOYEE (INCLUDING EACH PILOT EMPLOYEE)
ON THAT EMPLOYEE'S NORMAL RETIREMENT DATE.

2.1. - ELIGIBILITY FOR MEMBERSHIP

2.1.1. PRIOR MEMBERS - EACH EMPLOYEE WHO, ON DECEMBER 31, 1978, WAS ELIGIBLE FOR MEMBERSHIP IN THE NORTHERN TELECOM INC. RETIREMENT PLAN FOR EMPLOYEES SHALL BE A MEMBER OF THIS PLAN.

2.1.2. OTHER INITIAL MEMBERS - EACH EMPLOYEE ON DECEMBER 31, 1978, PROVIDED HE WAS UNDER AGE SIXTY (60) AT THE TIME HE ENTERED EMPLOYMENT, SHALL BECOME A MEMBER OF THIS PLAN ON JANUARY 1, 1979.

2.1.3. EMPLOYEES OF NEW EMPLOYERS - EACH EMPLOYEE OTHER THAN A PILOT EMPLOYEE OF A COMPANY WHICH SUBSEQUENTLY BECOMES A PARTICIPATING COMPANY AND WHOSE EMPLOYMENT BY THAT COMPANY COMMENCED ON OR BEFORE DECEMBER 31, 1979 WHEN SUCH EMPLOYEE WAS UNDER AGE SIXTY (60) SHALL BECOME A MEMBER OF THIS PLAN ON THE DATE THAT SUCH COMPANY BECOMES A PARTICIPATING COMPANY.

WITH RESPECT TO AN EMPLOYEE WHO IS A PILOT EMPLOYEE OF A COMPANY WHICH SUBSEQUENTLY BECOMES A PARTICIPATING COMPANY AND WHOSE EMPLOYMENT BY THAT COMPANY COMMENCED ON OR BEFORE DECEMBER 31, 1979, WHEN SUCH EMPLOYEE WAS UNDER AGE FIFTY-

2.1.4. NEW EMPLOYEES - AN EMPLOYEE OTHER THAN A PILOT EMPLOYEE WHO IS HIRED BY AN EMPLOYER AFTER JANUARY 1, 1980, AND WHO IS UNDER AGE SIXTY (60) AT THE TIME HE ENTERS EMPLOYMENT SHALL BECOME A MEMBER OF THE PLAN ON THE LATER OF THE FIRST ANNIVERSARY OF THE DATE THAT HE COMMENCED HIS EMPLOYMENT AND AGE 25.

WITH RESPECT TO AN EMPLOYEE WHO IS A PILOT EMPLOYEE WHO IS HIRED BY AN EMPLOYER AFTER JANUARY 1, 1980, AND WHO IS UNDER AGE FIFTY-FIVE (55) AT THE TIME HE ENTERS EMPLOYMENT SHALL BECOME A MEMBER OF THE PLAN ON THE LATER OF THE FIRST ANNIVERSARY OF THE DATE THAT HE COMMENCED HIS EMPLOYMENT, AND COMPLETED 1000 HOURS, AND REACHED AGE 25.

2.1.5. EMPLOYEES IN THE COOK GROUP - EACH EMPLOYEE WHO IS IN THE COOK GROUP ON OCTOBER 1, 1980 SHALL BECOME A MEMBER OF THIS PLAN ON OCTOBER 1, 1980.

2.1.6. REHIRES - EACH VESTED OR NON-VESTED PARTICIPANT WHO IS RE-EMPLOYED AFTER A BREAK IN SERVICE WILL PARTICIPATE RETROACTIVELY, WITH ANY ADJUSTMENTS FOR BREAKS IN SERVICE, UPON HIS

AS USED HEREIN THE TERM "BENEFIT SERVICE"

SHALL MEAN, WITH RESPECT TO A MEMBER, THAT
MEMBER'S AGGREGATE NUMBER OF YEARS OF SERVICE WITH
THE EMPLOYER, COMMENCING WITH THE EARLIEST DATE ON
WHICH THAT MEMBER WAS HIRED BY, OR TRANSFERRED TO,
THE EMPLOYER AND ENDING ON THE EARLIEST OF THAT
MEMBER'S TERMINATION DATE, EARLY RETIREMENT DATE,
NORMAL RETIREMENT DATE OR DATE OF DEATH; PROVIDED,
HOWEVER THAT THE DETERMINATION OF ANY MEMBER'S
BENEFIT SERVICE SHALL BE SUBJECT TO THE FOLLOWING
RULES AND EXCEPTIONS:

3.1.1. IF A MEMBER HAS A YEAR OF SERVICE HE WILL
BE CREDITED WITH ONE (1) YEAR OF BENEFIT
SERVICE.

3.1.2. NO CREDIT FOR SERVICE SHALL BE PROVIDED
FOR SERVICE DURING ANY PLAN YEAR:

3.1.2.1. NO CREDIT FOR SERVICE SHALL BE PROVIDED
FOR SERVICE DURING ANY PLAN YEAR:

3.1.2.2. PRIOR TO JANUARY 1, 1978, FOR
ANY MEMBER WHO WAS TRANSFERRED
TO THE EMPLOYER FROM AN
AFFILIATED COMPANY.

3.1.3. A MEMBER WILL RECEIVE NO CREDIT FOR
SERVICE PRIOR TO A BREAK IN SERVICE WHICH
OCCURRED PRIOR TO JANUARY 1, 1975, AND NO

MEMBER HAS ATTAINED A YEAR OF SERVICE
AFTER HIS MOST RECENT BREAK IN SERVICE.

3.1.4. A MEMBER WILL RECEIVE CREDIT FOR
ONE-HUNDRED NINETY (190) HOURS OF BENEFIT
SERVICE FOR EACH CALENDAR MONTH DURING
WHICH HE IS TOTALLY AND PERMANENTLY
DISABLED (AS DESCRIBED IN SECTION 4.4.2.),
PROVIDED HE HAS COMPLETED AT LEAST ONE (1)
YEAR OF VESTING SERVICE PRIOR TO THE DATE
THAT HE BECAME TOTALLY AND PERMANENTLY
DISABLED.

3.1.5. A MEMBER WILL RECEIVE CREDIT FOR BENEFIT
SERVICE FOR THAT MEMBER'S PERIODS OF
EMPLOYMENT BY A COMPANY WHICH BECOMES
AFFILIATED WITH THE COMPANY AND BECOMES A
PARTICIPATING COMPANY WHICH OCCURRED PRIOR
TO THE DATE ON WHICH IT BECAME A
PARTICIPATING COMPANY, BUT ONLY TO THE
EXTENT THAT THEY OCCUR AFTER THE DATE
SPECIFIED FOR THAT COMPANY IN APPENDIX A
UNDER THE COLUMN ENTITLED "BENEFIT
SERVICE."

3.1.6. IN THE EVENT A MEMBER IS:

3.1.6.1. PLACED ON LAYOFF STATUS DUE TO
THE TEMPORARY CLOSING OR
DOWNTURN OF BUSINESS, OR

WITH STANDARD PERSONNEL POLICIES
OF SUCH EMPLOYER APPLIED IN A
NON-DISCRIMINATORY MANNER TO ALL
EMPLOYEES SIMILARLY SITUATED,
OR

3.1.6.3. ON MILITARY LEAVE WHILE THE
EMPLOYEE'S RE-EMPLOYMENT RIGHTS
ARE PROTECTED BY LAW,

THEN HIS SERVICE, BOTH PRIOR TO SUCH
LAYOFF, LEAVE OF ABSENCE, OR MILITARY
LEAVE AND AFTER RETURN TO EMPLOYMENT BY
THE EMPLOYER SHALL BE AGGREGATED FOR
PURPOSES OF CREDITING THAT MEMBER WITH
BENEFIT SERVICE PURSUANT TO THE PLAN,
PROVIDED THAT MEMBER RETURNS TO EMPLOYMENT
IMMEDIATELY UPON THE EXPIRATION OF SUCH
LAYOFF OR LEAVE OF ABSENCE, OR WITH
RESPECT TO MILITARY LEAVE, WITHIN THE
LONGER OF THE NINETY (90)-DAY PERIOD AFTER
HIS HONORABLE DISCHARGE OR RELEASE OR THE
PERIOD PRESCRIBED BY APPLICABLE LAW.

— 3.1.7. IN NO EVENT SHALL THE BENEFIT SERVICE OF A
MEMBER INCLUDED IN THE COOK GROUP BE LESS
THAN THAT MEMBER'S "CREDITED SERVICE" AS
THAT TERM IS DEFINED AND DETERMINED UNDER
THE FORMER COOK ELECTRIC COMPANY SALARIED

SHALL MEAN, WITH RESPECT TO A MEMBER, THE SUM OF
THE PERIODS OF TIME SET FORTH IN SECTIONS 3.2.1.,
3.2.2., 3.2.3. AND 3.2.4.:

3.2.1. THE NUMBER OF YEARS OF BENEFIT SERVICE
CREDITED TO THAT MEMBER PURSUANT TO
SECTION 3.1., BUT EXCLUDING ANY BENEFIT
SERVICE CREDITED TO THAT MEMBER PURSUANT
TO SECTION 3.1.4.;

3.2.2. THE NUMBER OF THAT MEMBER'S YEARS OF
SERVICE WITH AN AFFILIATED COMPANY WHICH
IS NOT ALSO A PARTICIPATING COMPANY,
PROVIDED THAT SUCH SERVICE DID NOT OCCUR
PRIOR TO A BREAK IN-SERVICE WHICH TOOK PLACE
PRIOR TO JANUARY 1, 1975, AND PROVIDED
FURTHER THAT NO CREDIT SHALL BE GIVEN FOR
SUCH A YEAR OF SERVICE DURING ANY CALENDAR
YEAR UNLESS THAT MEMBER WAS DIRECTLY OR
INDIRECTLY PAID FOR ONE-THOUSAND (1,000) OR MORE
HOURS OF SERVICE DURING THAT CALENDAR YEAR;
AND PROVIDED FURTHER THAT SUCH YEARS OF SERVICE
AND HOURS OF SERVICE SHALL BE CALCULATED IN A
MANNER WHICH IS EQUIVALENT TO THE CALCULATION
OF YEARS OF SERVICE AND HOURS OF SERVICE
PURSUANT TO THIS PLAN;

3.2.3. THE NUMBER OF YEARS OF SERVICE WITH AN EMPLOYER

WHICH BECOMES AFFILIATED WITH THE COMPANY AND BECOMES A PARTICIPATING COMPANY, WHICH OCCURRED PRIOR TO THE DATE ON WHICH IT BECAME A PARTICIPATING COMPANY, ONLY TO THE EXTENT THAT SUCH PERIODS OF EMPLOYMENT OCCURRED AFTER THE DATE SPECIFIED FOR THAT COMPANY IN APPENDIX A UNDER THE COLUMN ENTITLED "VESTING SERVICE".

3.2.5. IN NO EVENT SHALL THE VESTING SERVICE OF A MEMBER INCLUDED IN THE COOK GROUP BE LESS THAN THAT MEMBER'S "SERVICE" AS THAT TERM IS DEFINED AND DETERMINED UNDER THE FORMER COOK ELECTRIC COMPANY SALARIED EMPLOYEES PENSION PLAN AS OF OCTOBER 1, 1980.

3.3. - RETENTION OF SERVICE

BENEFIT SERVICE AND VESTING SERVICE WILL NOT BE REDUCED BY TERMINATION OF EMPLOYMENT, ABSENCES FROM WORK OR OTHER BREAKS IN SERVICE WHICH OCCUR SUBSEQUENT TO JANUARY 1, 1975.

3.4. - LIMITATION OF SERVICE CREDITED

NO MORE THAN ONE (1) YEAR OF BENEFIT SERVICE OR VESTING SERVICE WILL BE CREDITED IN RESPECT TO ANY PLAN YEAR.

4.1. - NORMAL RETIREMENT

AN ACTIVE MEMBER WHO RETIRES ON HIS NORMAL RETIREMENT DATE, WILL RECEIVE A NORMAL RETIREMENT BENEFIT AS PROVIDED IN SECTION 5.1., OR 5.2., WHICHEVER IS APPLICABLE.

4.2. - EARLY RETIREMENT

4.2.1. AN ACTIVE MEMBER WHO HAS COMPLETED AT LEAST TEN (10) YEARS OF VESTING SERVICE MAY ELECT TO RETIRE EARLY OR AFTER HIS EARLY RETIREMENT DATE AND TO RECEIVE AN EARLY RETIREMENT BENEFIT COMMENCING ON THE FIRST DAY OF ANY CALENDAR MONTH AS PROVIDED IN SECTION 5.3., AND SECTION 5.6.3.

4.2.2. NOTWITHSTANDING THE PROVISIONS OF 4.2.1., AN ACTIVE MEMBER WHO HAS COMPLETED AT LEAST TWENTY-FIVE YEARS OF EMPLOYMENT WITH THE COMPANY AND/OR ANY AFFILIATED COMPANY BY AGE 60, OR WHOSE COMBINATION OF AGE ABOVE 60 AND YEARS OF SUCH EMPLOYMENT EQUALS 85, MAY ELECT TO RETIRE EARLY WITH NO REDUCTION IN BENEFITS IN THE NORMAL RETIREMENT BENEFIT CALCULATED IN ACCORDANCE WITH SECTION 5.1.

4.3. - LATE RETIREMENT

AN ACTIVE MEMBER MAY POSTPONE HIS RETIREMENT PAST HIS NORMAL RETIREMENT DATE. UPON HIS LATE RETIREMENT DATE, THAT ACTIVE MEMBER WILL RECEIVE A

VESTING SERVICE WHO, SUBSEQUENT TO THE EFFECTIVE DATE, BECOMES TOTALLY AND PERMANENTLY DISABLED WILL RECEIVE THE DISABILITY BENEFIT PROVIDED IN SECTION 5.5., WHICH WILL BECOME PAYABLE ON HIS NORMAL RETIREMENT DATE.

4.4.2. AN ACTIVE MEMBER WILL BE CONSIDERED, FOR PURPOSES OF THE PLAN, TO BE TOTALLY AND PERMANENTLY DISABLED IF:

4.4.2.1. HE IS ELIGIBLE TO RECEIVE A DISABILITY INSURANCE BENEFIT AS PROVIDED IN THE SOCIAL SECURITY LAW OF THE UNITED STATES OF AMERICA, OR

4.4.2.2. IN THE EVENT THAT AN ACTIVE MEMBER IS NOT ELIGIBLE TO RECEIVE SUCH DISABILITY INSURANCE BENEFIT, THE COMMITTEE, ON THE BASIS OF MEDICAL EVIDENCE WHICH IS SATISFACTORY TO IT, DETERMINES THAT HE IS PREVENTED FROM ENGAGING IN ANY OCCUPATION OR EMPLOYMENT FOR REMUNERATION FOR WHICH HE IS REASONABLY QUALIFIED BY EDUCATION AND EXPERIENCE UNLESS SUCH PREVENTION RESULTED FROM:

4.4.2.2.1. WAR OR AN ACT OF WAR

4.4.2.2.2. SERVICE IN THE ARMED FORCES

4.4.2.2.3. ATTEMPTED SUICIDE OR SELF-
INFLECTED INJURY OR ILLNESS; OR

4.4.2.2.4. PARTICIPATION IN A CRIMINAL
ACT.

4.4.3. THE TOTALLY AND PERMANENTLY DISABLED ACTIVE MEMBER SHALL SUBMIT TO MEDICAL EXAMINATIONS, AT THE EXPENSE OF THE COMPANY AT ANY REASONABLE TIME BUT NOT MORE OFTEN THAN EVERY SIX (6) MONTHS PRIOR TO THE DATE THAT HE ATTAINS NORMAL RETIREMENT AGE, THE PURPOSE OF WHICH IS TO PERMIT THE COMMITTEE TO DETERMINE WHETHER HE CONTINUES TO BE TOTALLY AND PERMANENTLY DISABLED FOR PURPOSES OF SECTION 4.5.2.2. IF THAT ACTIVE MEMBER REFUSES OR FAILS TO SUBMIT TO ANY OF THE MEDICAL EXAMINATIONS DESCRIBED ABOVE, FOR PURPOSES OF THE PLAN, HE WILL NOT BE ELIGIBLE TO BE CONSIDERED TOTALLY AND PERMANENTLY DISABLED FROM THE TIME OF HIS REFUSAL OR FAILURE UNTIL HE SUBMITS TO SUCH EXAMINATION.

4.4.4. IF AN ACTIVE MEMBER CEASES TO BE TOTALLY AND PERMANENTLY DISABLED FOR PURPOSES OF THIS PLAN BEFORE HE ATTAINS NORMAL RETIREMENT AGE, THE ACCRUAL OF HIS DISABILITY BENEFIT HEREUNDER WILL CEASE AS OF THE DATE HE SO CEASED TO BE TOTALLY AND PERMANENTLY DISABLED.

WHOSE SERVICE WHOSE EMPLOYMENT IS TERMINATED OTHER
THAN BY RETIREMENT OR DEATH IS ENTITLED TO A DEFERRED
VESTED RETIREMENT BENEFIT AS PROVIDED IN SECTION 5.6.

4.6. - PRE-RETIREMENT DEATH BENEFIT

4.6.1. AN ACTIVE MEMBER WHO HAS (A) ATTAINED AGE
FIFTY-FIVE (55), (B) COMPLETED TEN (10) OR MORE
YEARS OF VESTING SERVICE, AND (C) A SPOUSE, WILL
HAVE A SURVIVOR DEATH BENEFIT, BEGINNING ON THE
DATE HIS PENSION PAYMENTS OTHERWISE PAYABLE
PURSUANT TO THE PLAN ARE SCHEDULED TO COMMENCE,
SUCH THAT UPON THAT ACTIVE MEMBER'S DEATH PRIOR
TO RETIREMENT OR TERMINATION OF HIS EMPLOYMENT,
HIS SPOUSE WILL RECEIVE A MONTHLY BENEFIT AS
PROVIDED IN SECTION 5.7.

4.6.2. THE PRE-RETIREMENT DEATH BENEFIT DESCRIBED
IN SECTION 4.6.1. SHALL BE AUTOMATICALLY
CANCELLED (AND NO BENEFIT WILL BE PAYABLE
AS A RESULT THEREOF, UPON THE DEATH OF THE
ACTIVE MEMBER) UPON THE OCCURRENCE OF ANY
OF THE FOLLOWING EVENTS:

4.6.2.1. DEATH OF THAT ACTIVE MEMBER'S SPOUSE,

4.6.2.2. RETIREMENT OR ATTAINMENT OF NORMAL
RETIREMENT AGE BY THAT ACTIVE MEMBER,

4.6.2.3. TERMINATION OF EMPLOYMENT BY THAT
ACTIVE MEMBER, AND/OR

4.6.2.4. FINAL DIVORCE OF THAT ACTIVE MEMBER

DEATH BENEFIT IS CANCELLED AS A RESULT OF THE OCCURRENCE OF ANY EVENT DESCRIBED IN SECTIONS 4.6.2.1. OR 4.6.2.4., HE WILL, UPON HIS SUBSEQUENT REMARRIAGE FOR AT LEAST ONE (1) YEAR, HAVE A SURVIVOR DEATH BENEFIT DESCRIBED IN 4.6.1. WITH RESPECT TO HIS NEW SPOUSE.

4.7. - DEATH AFTER RETIREMENT

IF A MEMBER DIES AFTER HIS RETIREMENT DATE, THE PAYMENT OF MONTHLY BENEFITS PURSUANT TO THE PLAN WILL CEASE UNLESS THE FORM OF BENEFIT THEN IN EFFECT WITH RESPECT TO THAT MEMBER PROVIDES FOR THE CONTINUATION OF PAYMENT OR PAYMENTS TO A BENEFICIARY PURSUANT TO SECTION 6.3.

4.8. - NON-FORFEITABILITY OF NORMAL RETIREMENT BENEFITS

AN ACTIVE MEMBER'S RIGHT TO HIS NORMAL RETIREMENT BENEFIT DESCRIBED IN SECTION 5.1. OR 5.2., WHICHEVER IS APPLICABLE, IS NON-FORFEITABLE ON THE ATTAINMENT OF NORMAL RETIREMENT AGE BY THAT ACTIVE MEMBER.

THE ANNUAL "NORMAL RETIREMENT BENEFIT" OF A MEMBER SHALL BE THE REMAINDER OBTAINED BY SUBTRACTING FROM THE AMOUNT DESCRIBED IN SECTION 5.1.1., THE SUM OF THE AMOUNTS DESCRIBED IN SECTIONS 5.1.2. AND 5.1.3., WHERE:

5.1.1. EQUALS ONE AND ONE-HALF PERCENT (1.5%) OF THAT MEMBER'S FINAL AVERAGE EARNINGS MULTIPLIED BY HIS AGGREGATE YEARS OF BENEFIT SERVICE, UP TO A MAXIMUM OF THIRTY (30) YEARS OF BENEFIT SERVICE, AND

5.1.2. EQUALS ONE AND ONE-HALF PERCENT (1.5%) OF THAT MEMBER'S PRIMARY INSURANCE AMOUNT MULTIPLIED BY HIS AGGREGATE YEARS OF BENEFIT SERVICE, UP TO A MAXIMUM OF THIRTY (30) YEARS OF BENEFIT SERVICE, AND

5.1.3. EQUALS THE PENSION BENEFIT, IF ANY, PAYABLE TO ANY PENSION PLAN OR FORMER PENSION PLAN OF ANY AFFILIATED COMPANY WHICH PENSION BENEFIT IS BASED, IN WHOLE OR IN PART, ON A TERM OF EMPLOYMENT WITH RESPECT TO WHICH THAT MEMBER RECEIVED CREDIT FOR BENEFIT SERVICE PURSUANT TO THIS PLAN.

IN NO EVENT SHALL THE ANNUAL NORMAL RETIREMENT BENEFIT OF A MEMBER DETERMINED PURSUANT TO THIS SECTION 5.1. BE LESS THAN THE BENEFIT WHICH WOULD HAVE ACCRUED TO

EVENT SHALL THE NORMAL RETIREMENT BENEFIT OF A MEMBER BE LESS THAN THE BENEFIT WHICH THAT MEMBER WOULD HAVE BEEN ENTITLED TO RECEIVE PURSUANT TO SECTION 5.3. IF THAT MEMBER HAD ELECTED TO RECEIVE A BENEFIT PURSUANT TO SECTION 5.3. NOR SHALL A MEMBER'S NORMAL RETIREMENT BENEFIT BE DECREASED TO A LEVEL BELOW WHAT HIS NORMAL RETIREMENT BENEFIT WOULD HAVE BEEN HAD HE NOT RETURNED TO EMPLOYMENT BY REASON OF ANY POST-SEPARATION SOCIAL SECURITY BENEFIT INCREASES.

5.2. - NORMAL RETIREMENT BENEFIT FOR MEMBERS IN THE COOK GROUP

NOTWITHSTANDING THE PROVISIONS OF SECTION 5.1., THE ANNUAL "NORMAL RETIREMENT BENEFIT" OF A MEMBER INCLUDED IN THE COOK GROUP SHALL BE THE GREATER OF THE AMOUNT DESCRIBED IN SECTIONS 5.2.1. OR 5.2.2. BELOW LESS ANY AMOUNTS AS MAY BE REQUIRED TO BE SUBTRACTED PURSUANT TO SECTION 5.2.3. WHERE:

5.2.1. AN AMOUNT WHICH EQUALS THE SUM OF 5.2.1.1.

AND 5.2.1.2. LESS 5.2.1.3., WHERE:

5.2.1.1. EQUALS TWO AND ONE-FOURTH PERCENT (2.25%) OF THAT MEMBER'S FINAL AVERAGE EARNINGS MULTIPLIED BY THE AGGREGATE YEARS OF BENEFIT SERVICE UP TO A MAXIMUM OF TWENTY (20) YEARS;

5.2.1.2. EQUALS ONE PERCENT (1%) OF THAT

BENEFIT SERVICE IN EXCESS OF TWENTY
(20) YEARS; AND

5.2.1.3. EQUALS TWO AND ONE-HALF PERCENT (2.50%)
OF THAT MEMBER'S PRIMARY INSURANCE
AMOUNT MULTIPLIED BY THE AGGREGATE YEARS
OF BENEFIT SERVICE UP TO A MAXIMUM OF
TWENTY (20) YEARS.

5.2.2. AN AMOUNT WHICH EQUALS \$84.00 MULTIPLIED BY THE
MEMBER'S AGGREGATE YEARS OF BENEFIT SERVICE.

5.2.3. AN AMOUNT WHICH EQUALS THE PENSION BENEFIT, IF
ANY, PAYABLE PURSUANT TO ANY PENSION PLAN OR
FORMER PENSION PLAN OF ANY AFFILIATED COMPANY
WHICH PENSION BENEFIT IS BASED, IN WHOLE OR IN
PART, ON A TERM OF EMPLOYMENT WITH RESPECT TO
WHICH THAT MEMBER RECEIVED CREDIT FOR BENEFIT
SERVICE PURSUANT TO THIS PLAN.

IN NO EVENT SHALL THE ANNUAL NORMAL RETIREMENT BENEFIT
OF A MEMBER DETERMINED PURSUANT TO THIS SECTION 5.2. BE
LESS THAN THE BENEFIT WHICH WOULD HAVE ACCRUED TO THAT
MEMBER AS OF OCTOBER 1, 1980, BASED ON THE PROVISIONS
OF THE COOK ELECTRIC COMPANY SALARIED EMPLOYEES PENSION
PLAN IN EFFECT ON THAT DATE. IN NO EVENT SHALL THE
NORMAL RETIREMENT BENEFIT OF A MEMBER BE LESS THAN THE
BENEFIT WHICH THAT MEMBER WOULD HAVE BEEN ENTITLED TO
RECEIVE PURSUANT TO SECTION 5.3. IF THAT MEMBER HAD
ELECTED TO RECEIVE A BENEFIT PURSUANT TO SECTION 5.3.

INCREASE.

5.3. - EARLY RETIREMENT BENEFIT

5.3.1. THE ANNUAL "EARLY RETIREMENT BENEFIT" OF A MEMBER WHO BECOMES ELIGIBLE THEREFOR PURSUANT TO SECTION 4.2., SHALL BE THE BENEFIT CALCULATED AS PROVIDED IN SECTION 5.1. BASED ON THAT MEMBER'S BENEFIT SERVICE, PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS, AT THE TIME OF HIS ACTUAL RETIREMENT DATE.

5.3.2. NOTWITHSTANDING SECTION 5.3.1., FOR MEMBERS INCLUDED IN THE COOK GROUP, THE ANNUAL "EARLY RETIREMENT BENEFIT" OF SUCH A MEMBER WHO BECOMES ELIGIBLE THEREFOR PURSUANT TO SECTION 4.2., SHALL BE THE BENEFIT CALCULATED AS PROVIDED IN SECTION 5.2. BASED ON THAT MEMBER'S BENEFIT SERVICE, PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS AT THE TIME OF HIS ACTUAL RETIREMENT DATE, WHERE:

5.3.2.1. BENEFIT SERVICE EQUALS THE SUM OF THAT MEMBER'S BENEFIT SERVICE AT DATE OF DETERMINATION, AND BENEFIT SERVICE THAT MEMBER WOULD HAVE HAD, IF HE HAD ONE

5.3.2.2. THE BENEFIT SO DETERMINED SHALL
BE REDUCED BY MULTIPLYING IT BY
A FRACTION, THE NUMERATOR OF
WHICH IS THAT MEMBER'S VESTING
SERVICE TO DATE OF
DETERMINATION PLUS THE NUMBER OF
YEARS (AND ANY FRACTION THEREOF)
FROM DATE OF DETERMINATION TO
HIS NORMAL RETIREMENT DATE.

5.3.3. BENEFITS PAYABLE PURSUANT TO SECTION
5.3.1. OR 5.3.2., AS APPLICABLE, WILL BE
REDUCED ONE-FOURTH PERCENT ($1/4\%$) FOR EACH
COMPLETE CALENDAR MONTH BY WHICH THAT
MEMBER COMMENCES TO RECEIVE BENEFITS
PURSUANT TO SECTION 5.3.1. OR 5.3.2.
BETWEEN THAT MEMBER'S ATTAINMENT OF AGE 62
AND HIS NORMAL RETIREMENT DATE. BENEFITS
PAYABLE PURSUANT TO SECTION 5.3.1. OR
5.3.2., AS APPLICABLE, WILL BE REDUCED BY
FIVE-TWELFTHS PERCENT ($5/12\%$) FOR EACH
COMPLETE CALENDAR MONTH BY WHICH THAT
MEMBER COMMENCES TO RECEIVE BENEFITS
PURSUANT TO SECTION 5.3.1. OR 5.3.2. PRIOR
TO THAT MEMBER'S ATTAINMENT OF AGE 62.

WHO RETIRES AFTER HIS NORMAL RETIREMENT DATE SHALL BE THE BENEFIT TO WHICH HE WOULD HAVE BEEN ENTITLED HEREUNDER HAD HE RETIRED ON HIS NORMAL RETIREMENT DATE.

5.5. - DISABILITY RETIREMENT BENEFIT

THE ANNUAL "DISABILITY RETIREMENT BENEFIT" OF A MEMBER WHO BECOMES ELIGIBLE THEREFOR PURSUANT TO SECTION ~~4.5.~~⁴ SHALL BE THE AMOUNT BY WHICH THE BENEFIT COMPUTED PURSUANT TO SECTION 5.1., OR SECTION 5.2. WITH RESPECT TO A MEMBER INCLUDED IN THE COOK GROUP, BASED ON THAT MEMBER'S BENEFIT SERVICE AS OF HIS NORMAL RETIREMENT DATE AND THAT MEMBER'S PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS AS OF THE DATE HE CEASED TO BE AN ACTIVE MEMBER EXCEEDS ANY BENEFIT TO WHICH HE IS ENTITLED PURSUANT TO SECTION 4.5.

5.6. - VESTED RETIREMENT BENEFIT

5.6.1. THE ANNUAL "VESTED RETIREMENT BENEFIT" OF A MEMBER WHO BECOMES ELIGIBLE THEREFOR PURSUANT TO SECTION 4.5., SHALL BE THE BENEFIT COMPUTED AS PROVIDED IN SECTION 5.1., BASED ON THE MEMBER'S BENEFIT SERVICE, PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS, ALL AS OF HIS TERMINATION DATE, AND PAYABLE AS OF HIS NORMAL RETIREMENT DATE IF HE IS THEN

"VESTED RETIREMENT BENEFIT" OF A MEMBER WHO BECOMES ELIGIBLE THEREFOR PURSUANT TO SECTION 4.5., SHALL BE THE BENEFIT CALCULATED AS PROVIDED IN SECTION 5.2. BASED ON THAT MEMBER'S BENEFIT SERVICE, PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS AT THE TIME OF HIS ACTUAL RETIREMENT DATE, WHERE:

5.6.2.1. BENEFIT SERVICE EQUALS THE SUM OF THAT MEMBER'S BENEFIT SERVICE AT DATE OF DETERMINATION, AND BENEFIT SERVICE THAT MEMBER WOULD HAVE HAD, IF HE HAD ONE (1) YEAR OF SERVICE DURING EACH PLAN YEAR FROM THE DATE OF DETERMINATION TO HIS NORMAL RETIREMENT DATE, AND;

5.6.2.2. THE BENEFIT SO DETERMINED SHALL BE REDUCED BY MULTIPLYING IT BY A FRACTION, THE NUMERATOR OF WHICH IS THAT MEMBER'S VESTING SERVICE TO DATE OF DETERMINATION AND THE DENOMINATOR OF WHICH IS THAT MEMBER'S VESTING SERVICE TO DATE OF DETERMINATION PLUS THE

RETIREMENT DATE.

5.6.3. A MEMBER MAY ELECT TO HAVE PAYMENT OF HIS VESTED RETIREMENT BENEFIT COMMENCE PRIOR TO HIS NORMAL RETIREMENT DATE, BUT NOT BEFORE HIS EARLY RETIREMENT DATE. IN THE EVENT A MEMBER MAKES THE ELECTION DESCRIBED ABOVE, HIS BENEFIT PAYABLE PURSUANT TO SECTION 5.6.1. OR 5.6.2., AS APPLICABLE, WILL BE REDUCED FIVE-TWELFTHS PERCENT (5/12%) FOR EACH COMPLETE CALENDAR MONTH BY WHICH THE DATE ON WHICH THAT MEMBER COMMENCES TO RECEIVE SUCH BENEFITS PRECEDES THE MEMBER'S NORMAL RETIREMENT DATE.

5.7. - PRE-RETIREMENT DEATH BENEFIT

THE BENEFIT AS PROVIDED IN SECTION 4.6., PAYABLE TO THE MEMBER'S SPOUSE WILL BE THE BENEFIT THAT SPOUSE WOULD HAVE RECEIVED IF THAT MEMBER:

5.7.1. HAD RETIRED ON THE FIRST DATE OF THE CALENDAR MONTH FOLLOWING HIS DATE OF DEATH OR ON HIS DATE OF DEATH IF HE DIED ON THE FIRST DAY OF A CALENDAR MONTH, AND

5.7.2. HAD ELECTED A JOINT AND 50% SURVIVOR BENEFIT AS PROVIDED IN SECTION 6.3.2.2. WITH HIS SPOUSE AS THE BENEFICIARY.

TO A MEMBER WHILE HE IS A TRANSFERRED MEMBER UNDER THE PLAN EXCEPT AS OTHERWISE PROVIDED IN SECTION 5.8.2. BELOW. UPON HIS SUBSEQUENT RETIREMENT, TERMINATION OR DEATH, SUCH TRANSFERRED MEMBER SHALL BE ENTITLED TO BENEFITS IN ACCORDANCE WITH THE PLAN AS IT IS THEN IN EFFECT. THE BENEFITS PAYABLE PURSUANT TO THE PLAN TO THAT TRANSFERRED MEMBER SHALL BE COMPUTED IN ACCORDANCE WITH THIS ARTICLE V, EXCEPT THAT SUCH COMPUTATION SHALL BE BASED UPON THAT TRANSFERRED MEMBER'S:

- 5.8.1.1. BENEFIT SERVICE AS OF THE DATE THAT HE BECAME A TRANSFERRED MEMBER, AND
- 5.8.1.2. HIS PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS (IF THE AFFILIATED COMPANIES WHICH EMPLOYED HIM DURING THE APPROPRIATE ONE HUNDRED TWENTY (120) MONTH PERIOD HAD BEEN PARTICIPATING COMPANIES), AS OF THE DATE OF HIS SUBSEQUENT RETIREMENT, TERMINATION OR DEATH, WHICHEVER IS APPLICABLE. FOR THE SOLE PURPOSE OF

VESTING SERVICE, A TRANSFERRED MEMBER SHALL RECEIVE CREDIT FOR ONE (1) YEAR OF VESTING SERVICE FOR EACH PLAN YEAR IN WHICH THAT TRANSFERRED MEMBER WOULD HAVE HAD ONE THOUSAND (1,000) HOURS OF SERVICE IF HIS EMPLOYER HAD BEEN A PARTICIPATING COMPANY.

5.8.2. IF A MEMBER WHO HAS AT LEAST SEVEN (7) YEARS OF VESTING SERVICE UNDER THE PLAN RETIRES, DIES OR TERMINATES HIS EMPLOYMENT WITH THE COMPANY OR AN AFFILIATED COMPANY, AS APPLICABLE, WHILE A TRANSFERRED MEMBER AND SUCH MEMBER IS NOT ELIGIBLE TO RECEIVE A RETIREMENT, DEATH OR TERMINATION BENEFIT UNDER THE PENSION PLAN OR PLANS (OTHER THAN THE NORTHERN TELECOM INC. EMPLOYEE THRIFT/SAVINGS PLAN) IN WHICH HE HAS PARTICIPATED (IF ANY) SINCE HE BECAME A TRANSFERRED MEMBER, THEN THE PERIOD OF TIME (EXCLUDING ANY SERVICE WITH AN EMPLOYER) THAT HE WAS A TRANSFERRED MEMBER AND WHICH WAS CONSIDERED AS VESTING SERVICE PURSUANT TO SECTION 5.8.1. WILL ALSO BE

THE ANNUAL "ACCRUED RETIREMENT BENEFIT" OF A MEMBER, WHETHER OR NOT VESTED, WHICH A MEMBER HAS EARNED UP TO ANY DATE AND WHICH MAY BECOME PAYABLE AT HIS NORMAL RETIREMENT DATE SHALL BE THE BENEFIT COMPUTED AS PROVIDED IN SECTION 5.6, BASED ON THE MEMBER'S BENEFIT SERVICE, PRIMARY INSURANCE AMOUNT AND FINAL AVERAGE EARNINGS, ALL AS OF THE DATE ON WHICH THAT ACCRUED RETIREMENT BENEFIT IS COMPUTED.

5.10. -DEATH BENEFITS FOR CERTAIN COOK ELECTRIC
DIVISION EMPLOYEES

UPON THE DEATH OF A RETIRED MEMBER WHO WAS A MEMBER OF THE COOK ELECTRIC COMPANY SALARIED EMPLOYEES PENSION PLAN ON OCTOBER 1, 1980, A LUMP SUM BENEFIT SHALL BE PAYABLE TO HIS DESIGNEE IF THE MEMBER RETIRED PURSUANT TO SECTION 4.1. OR 4.2. THE AMOUNT OF THE DEATH BENEFIT SHALL BE \$5,000 IF THE DESIGNATED BENEFICIARY OF THE RETIRED MEMBER IS HIS SURVIVING SPOUSE, OR \$2,000 IF THE DESIGNATED BENEFICIARY IS NOT HIS SURVIVING SPOUSE.

5.11.- No Other BENEFITS

NO BENEFITS OTHER THAN THOSE PROVIDED FOR IN THIS ARTICLE V WILL BE PAYABLE PURSUANT TO THE PLAN.

6.1.1. EXCEPT AS OTHERWISE PROVIDED IN SECTION

6.4., ALL BENEFITS WHICH BECOME PAYABLE
HEREUNDER WILL BE PAYABLE MONTHLY IN AN
AMOUNT WHICH IS EQUAL TO ONE-TWELFTH
(1/12) OF THE APPROPRIATE ANNUAL BENEFIT,
CALCULATED AS PROVIDED HEREIN, COMMENCING
ON THE FIRST DAY OF THE CALENDAR MONTH
FOLLOWING THE ACTUAL RETIREMENT DATE, THE
DATE OF DEATH OR THE DATE ON WHICH A
RECIPIENT ELECTS TO COMMENCE RECEIPT OF
SUCH BENEFITS, WHICHEVER IS APPLICABLE,
EXCEPT THAT IF THE APPLICABLE DATE OCCURS
ON THE FIRST DAY OF A CALENDAR MONTH, THEN
SUCH BENEFITS SHALL COMMENCE TO BE
PAYABLE ON THAT DATE. ALL SUCH MONTHLY
PAYMENTS SHALL CONTINUE UNTIL THE LAST
MONTHLY PAYMENT PRIOR TO THE DEATH OF THE
PAYEE.

6.1.2. IF A MEMBER WHO HAS RETIRED AND IS
RECEIVING BENEFITS, PURSUANT TO THE PLAN,
SUBSEQUENTLY BECOMES AN EMPLOYEE AND IS
CREDITED WITH A YEAR OF SERVICE, PAYMENTS
OF BENEFITS TO HIM PURSUANT TO THIS PLAN
SHALL CEASE UNTIL HIS SUBSEQUENT
RETIREMENT. UPON HIS SUBSEQUENT

DURING HIS SEPARATE PERIODS OF EMPLOYMENT
ADJUSTED TO TAKE INTO ACCOUNT THE BENEFITS
RECEIVED PRIOR TO THE DATE THAT HE
SUBSEQUENTLY BECAME AN EMPLOYEE, PROVIDED
THAT IN NO EVENT SHALL THE AMOUNT OF THAT
MEMBER'S BENEFITS HEREUNDER BE INCREASED
FOR ANY SUCH SERVICE OCCURRING AFTER HIS
NORMAL RETIREMENT DATE.

6.2. - FACILITY OF PAYMENT

IF THE COMMITTEE FINDS THAT ANY PERSON TO
WHOM A BENEFIT IS PAYABLE FROM THE FUND PURSUANT
TO THE PLAN, IS UNABLE TO CARE FOR HIS AFFAIRS
BECAUSE OF ILLNESS OR ACCIDENT, ANY PAYMENT DUE
MAY BE PAID ONLY TO A DULY APPOINTED GUARDIAN,
COMMITTEE OR OTHER LEGAL REPRESENTATIVE. ANY SUCH
PAYMENTS WILL DISCHARGE ANY LIABILITY UNDER THE
PLAN THEREFOR.

6.3. - FORM OF PAYMENT

6.3.1. EXCEPT AS SET FORTH BELOW, A MEMBER WHO
HAS A SPOUSE ON HIS ACTUAL RETIREMENT
WILL AUTOMATICALLY RECEIVE AN ACTUARIALLY
EQUIVALENT JOINT AND 50% SURVIVOR BENEFIT
AND ALL OTHER MEMBERS WILL AUTOMATICALLY
RECEIVE A STRAIGHT LIFE ANNUITY. ANY
MEMBER MAY ELECT TO RECEIVE ANY OPTIONAL
FORM OF BENEFIT, AS PROVIDED IN SECTION

WITH A GENERAL DESCRIPTION OF THE JOINT
AND SURVIVOR BENEFIT DESCRIBED IN THIS

SECTION 6.3., THE CIRCUMSTANCES UNDER WHICH IT WILL BE PROVIDED UNLESS A MEMBER OR HIS SPOUSE HAS ELECTED NOT TO HAVE THE BENEFIT PROVIDED IN THAT FORM, AND THE AVAILABILITY OF SUCH ELECTION, INCLUDING A GENERAL EXPLANATION OF THE RELATIVE FINANCIAL EFFECT ON A MEMBER'S BENEFIT OF SUCH ELECTION. SUCH INFORMATION SHALL BE PROVIDED ONE HUNDRED EIGHTY (180) DAYS BEFORE THE MEMBER'S RETIREMENT. EACH MEMBER SHALL HAVE AN ELECTION PERIOD OF NINETY (90) DAYS FOLLOWING THE FURNISHING OF ALL SUCH INFORMATION IN ORDER TO MAKE HIS ELECTION. AT LEAST NINETY (90) DAYS PRIOR TO A MEMBER'S RETIREMENT, THAT MEMBER MAY ELECT IN WRITING, ON A FORM ESTABLISHED AND FURNISHED BY THE COMMITTEE, TO RECEIVE ONE (1) OF THE FOLLOWING ACTUARIALLY EQUIVALENT FORMS OF BENEFIT;

6.3.2.1. A STRAIGHT LIFE ANNUITY;

6.3.2.2. A JOINT AND SURVIVOR BENEFIT

PURSUANT TO WHICH A REDUCED MONTHLY BENEFIT SHALL BE PAYABLE FOR LIFE TO THE MEMBER, AND A

A REDUCED BENEFIT, CONTINUING

AFTER HIS DEATH SHALL BE PAYABLE
FOR THE REMAINING LIFETIME OF
HIS BENEFICIARY;

6.3.2.3. A TEN (10)-YEAR CERTAIN BENEFIT
PURSUANT TO WHICH A REDUCED
MONTHLY BENEFIT SHALL BE PAYABLE
FOR LIFE TO THE MEMBER PROVIDED
THAT THE MEMBER OR HIS
BENEFICIARY SHALL IN ALL EVENTS
RECEIVE NO LESS THAN ONE-HUNDRED
TWENTY (120) MONTHLY PAYMENTS
THEREUNDER.

6.3.2.4. A SOCIAL SECURITY LEVELING BENE-
FIT PURSUANT TO WHICH AN
INCREASED BENEFIT SHALL BE PAY-
ABLE PRIOR TO THE MEMBER'S
ATTAINMENT OF AGE SIXTY-TWO
(62), AND REDUCED BENEFITS SHALL
BE PAYABLE THEREAFTER.

IN NO EVENT MAY THE ELECTION PERIOD END
EARLIER THAN THE 90TH DAY BEFORE THE
COMMENCEMENT OF BENEFITS.

6.3.3. IN THE EVENT THAT A MEMBER'S BENEFICIARY
IS A PERSON OR ENTITY OTHER THAN HIS
SPOUSE, THE ACTUARIALLY EQUIVALENT VALUE

BE MORE THAN 50% OF THE ACTUARIAL
EQUIVALENT TOTAL VALUE OF THE BENEFITS
PAYABLE TO THE MEMBER AND HIS
BENEFICIARIES.

6.3.4. THE ELECTION OF ANY OPTIONAL FORM OF
RETIREMENT BENEFIT HEREUNDER SHALL ONLY BE
EFFECTIVE UPON THE MEMBER'S ACTUAL
RETIREMENT DATE. A MEMBER MAY REVOKE OR
CHANGE SUCH ELECTION AT ANY TIME PRIOR TO
HIS ACTUAL RETIREMENT DATE, IN WRITING ON
A FORM ESTABLISHED AND FURNISHED BY THE
COMMITTEE. THE DEATH OF A MEMBER'S
BENEFICIARY PRIOR TO HIS ACTUAL RETIREMENT
DATE SHALL AUTOMATICALLY REVOKE THAT
MEMBER'S ELECTION OF A JOINT AND SURVIVOR
BENEFIT HEREUNDER.

6.3.5. NOTWITHSTANDING ANYTHING CONTAINED IN
ARTICLE VI TO THE CONTRARY:

(1) IF A MEMBER WHO HAS A SPOUSE ON HIS
DATE OF DEATH, DIES AFTER HIS NORMAL
RETIREMENT DATE BUT BEFORE HIS ACTUAL
RETIREMENT DATE, AND SUCH MEMBER HAS
NOT ELECTED TO RECEIVE ANOTHER FORM
OF BENEFIT PURSUANT TO SECTION
6.3.2., HE SHALL BE DEEMED TO HAVE
RETIRED ON THE CALENDAR DAY PRECEDING

(2) IF A MEMBER WHO WOULD BE ELIGIBLE TO RECEIVE AN EARLY RETIREMENT BENEFIT (EXCEPT FOR ANY REQUIREMENT THAT A CLAIM FOR BENEFITS BE FILED), AND WHO HAS A SPOUSE ON HIS DATE OF DEATH, DIES AFTER THE DATE ON WHICH HE COULD FIRST BEGIN TO RECEIVE AN EARLY RETIREMENT BENEFIT BUT BEFORE BEGINNING TO RECEIVE SUCH BENEFITS, AND SUCH MEMBER HAS NOT ELECTED TO RECEIVE ANOTHER FORM OF BENEFIT PURSUANT TO SECTION 6.3.2., HE SHALL BE DEEMED TO HAVE RETIRED ON THE CALENDAR DAY PRECEDING HIS DATE OF DEATH AND TO HAVE ELECTED TO RECEIVE AN ACTUARIALLY EQUIVALENT JOINT AND 50% SURVIVOR BENEFIT.

6.4. - PAYMENT OF SMALL BENEFITS

IF THE BENEFIT OF ANY MEMBER OR BENEFICIARY CURRENTLY ENTITLED TO BENEFITS IS ACTUARIALLY EQUIVALENT TO A LUMP SUM AMOUNT WHICH IS LESS THAN ONE THOUSAND, SEVEN-HUNDRED AND FIFTY DOLLARS (\$1,750), THE COMMITTEE MAY DISTRIBUTE SUCH LUMP-SUM TO THE MEMBER OR BENEFICIARY IN LIEU AND IN COMPLETE DISCHARGE OF ITS OBLIGATION TO FURNISH

THE FUNDING OF THE PLAN AND PAYMENT OF THE BENEFITS THEREUNDER WILL BE PROVIDED FOR THROUGH THE MEDIUM OF A TRUST FUND HELD BY A TRUSTEE OR TRUSTEES UNDER THE PROVISIONS OF A TRUST AGREEMENT. THE NAMES OF CURRENT TRUSTEES SHALL BE PUBLISHED BY, AND AVAILABLE FROM, THE SECRETARY OF THE COMPANY. THE CONTRIBUTIONS OF THE EMPLOYER TO THE TRUST FUND, TOGETHER WITH ANY INCOME, GAINS OR PROFITS, LESS DISTRIBUTIONS AND LOSSES, WILL CONSTITUTE THE FUND. THE COMPANY WILL DETERMINE THE FORM AND TERMS OF ANY SUCH TRUST AGREEMENT AND MAY MODIFY ANY SUCH TRUST AGREEMENT FROM TIME TO TIME TO ACCOMPLISH THE PURPOSES OF THIS PLAN, AND MAY REMOVE ANY TRUSTEE.

7.2. - EMPLOYER CONTRIBUTIONS

7.2.1. IT IS THE INTENTION OF THE COMPANY THAT THE EMPLOYER SHALL MAKE, FROM TIME TO TIME, THE CONTRIBUTIONS TO THE FUND AS DESCRIBED IN SECTION 7.1. IN THE AMOUNTS AS DETERMINED BY THE COMPANY. EXPENSES OF THE PLAN, UNLESS PAID BY THE COMPANY, WILL BE PAID OUT OF THE ASSETS OF THE FUND.

7.2.2. ANY FORFEITURE ARISING FROM AN EMPLOYEE'S TERMINATION OF EMPLOYMENT OR DEATH OR FOR ANY OTHER REASON PRIOR TO THE TERMINATION

THE PRECEDING PARAGRAPH AND WILL NOT
INCREASE ANY BENEFITS OTHERWISE PAYABLE

HEREUNDER.

7.3. - IRREVOCABILITY

THE EMPLOYER WILL HAVE NO RIGHT, TITLE, OR INTEREST IN THE CONTRIBUTIONS MADE BY IT TO THE TRUSTEE AND NO PART OF THE FUND WILL REVERT TO THE EMPLOYER EXCEPT THAT, AFTER SATISFACTION OF ALL LIABILITIES OF THE PLAN, AS SET FORTH IN SECTION 9.2., SUCH AMOUNT REMAINING AS THE RESULT OF AN ERRONEOUS ACTUARIAL CALCULATION MAY REVERT TO THE EMPLOYER. HOWEVER, ALL CONTRIBUTIONS ARE MADE SUBJECT TO DEDUCTIBILITY FOR TAX PURPOSES AND THE CONTINUED QUALIFICATION OF THE PLAN WITH THE INTERNAL REVENUE SERVICE.

8.1.1. THE PLAN WILL BE ADMINISTERED BY THE
EMPLOYEE BENEFITS COMMITTEE OF THE
COMPANY. THE NUMBER OF MEMBERS OF THE
COMMITTEE SHALL BE FIXED BY THE BOARD FROM
TIME TO TIME. THE BOARD MAY REMOVE ANY
MEMBER OF THE COMMITTEE AS IT DEEMS
APPROPRIATE. NAMES OF THE CURRENT MEMBERS
OF THE COMMITTEE SHALL BE PUBLISHED BY,
AND AVAILABLE FROM, THE SECRETARY OF THE
COMPANY. THE COMMITTEE WILL PASS UPON ALL
QUESTIONS CONCERNING THE APPLICATION OR
INTERPRETATION OF THE PROVISIONS OF THE
PLAN. THE COMMITTEE WILL DECIDE ALL SUCH
QUESTIONS IN ACCORDANCE WITH THE TERMS OF
THE PLAN AND ALL SUCH DECISIONS OF THE
COMMITTEE WILL BE FINAL AND BINDING UPON
THE COMPANY AND THE MEMBERS. THE
COMMITTEE WILL HAVE NO POWER TO ADD TO OR
SUBTRACT FROM OR TO MODIFY ANY OF THE
TERMS OF THE PLAN, NOR TO CHANGE OR ADD TO
ANY BENEFITS PROVIDED BY THE PLAN.

8.1.2. ANY ACT WHICH THIS PLAN AUTHORIZES OR
REQUIRES THE COMMITTEE TO DO MAY BE DONE
AT A MEETING OF THE COMMITTEE BY A
MAJORITY OF THE MEMBERS OF THE COMMITTEE

SUCH OTHER AGENTS AND REPRESENTATIVES AS IT MAY DEEM ADVISABLE (WHOM MAY, BUT NEED NOT, BE MEMBERS OF THE COMMITTEE) TO KEEP ITS RECORDS TO ASSIST IT IN DOING ANY OTHER ACT OR THING TO BE DONE OR PERFORMED BY THE COMMITTEE. IN ITS RELATIONSHIP WITH THE TRUSTEE AND ANY INSURANCE COMPANY OR COMPANIES ON ANY MATTER OR THING INCLUDED IN THIS PLAN, ONE (1) MEMBER OF THE COMMITTEE MAY BE AUTHORIZED BY IT TO SIGN OR EXECUTE ON ITS BEHALF ANY DOCUMENT. THE COMMITTEE WILL CERTIFY TO THE TRUSTEES AND TO SUCH INSURANCE COMPANY OR COMPANIES THE NAME AND SIGNATURE OF THE MEMBER OF THE COMMITTEE WHO IS SO AUTHORIZED.

8.1.4. THE MEMBERS OF THE COMMITTEE WILL SERVE WITHOUT COMPENSATION FOR SERVICES AS SUCH, BUT ALL EXPENSES OF THE COMMITTEE WILL BE PAID BY THE COMPANY.

8.2. - FIDUCIARY DUTIES

8.2.1. THE COMMITTEE AND THE INVESTMENT COMMITTEE (AS HEREINAFTER DEFINED) SHALL EACH BE NAMED FIDUCIARIES FOR THE PLAN. FOR PURPOSES HEREOF THE INVESTMENT COMMITTEE SHALL CONSIST OF SUCH INDIVIDUAL OR

8.2.2. THE COMMITTEE WILL HAVE THE FOLLOWING
POWERS, DUTIES, AND RESPONSIBILITIES,
WHICH IT MAY RETAIN OR DELEGATE IN WRITING
AMONG THE BELOW MENTIONED BODIES:

8.2.2.1. POWERS, DUTIES AND RESPONSIBILITIES OF ADMINISTRATION ARE
DELEGABLE TO AN ADMINISTRATOR
AND

8.2.2.2. POWERS, DUTIES AND RESPONSIBILITIES OF CUSTODY AND DISBURSEMENT ARE DELEGABLE TO THE
TRUSTEE, AN ADMINISTRATOR, OR AN
INSURANCE COMPANY.

8.2.3. THE INVESTMENT COMMITTEE SHALL HAVE THE
POWERS, DUTIES AND RESPONSIBILITIES OF
INVESTMENT WITH RESPECT TO THE PLAN
UNLESS, AND TO THE EXTENT, SUCH POWERS,
DUTIES AND RESPONSIBILITIES ARE DELEGATED
TO THE TRUSTEE, AN INVESTMENT MANAGER, OR
AN INSURANCE COMPANY, BY THE INVESTMENT
COMMITTEE.

8.2.4. THE COMMITTEE MAY APPOINT AN
ADMINISTRATOR, AN INVESTMENT ADVISOR, OR
AN INSURANCE COMPANY, AND REVIEW OR
REDELEGATE THE EXERCISE OF THE POWERS,
DUTIES AND RESPONSIBILITIES DESCRIBED IN

AND WILL REVIEW FROM TIME TO TIME, A
FUNDING POLICY WHICH CONSIDERS BOTH
IMMEDIATE AND LONG RANGE FINANCIAL GOALS
OF THE PLAN AND WHICH SATISFIES THE
REQUIREMENTS OF PART 3 OF TITLE 1 OF THE
EMPLOYEE RETIREMENT INCOME SECURITY ACT OF
1974.

8.2.6. THE COMPANY WILL PROVIDE APPROPRIATE
INSURANCE COVERAGE FOR THE MEMBERS OF THE
COMMITTEE AND EACH OTHER FIDUCIARY OF THE
PLAN WHO IS NOT OTHERWISE APPROPRIATELY
INSURED.

8.3. - APPEALS PROCEDURE

ALL CLAIMS FOR BENEFITS UNDER THE PLAN WILL
BE DIRECTED TO THE ATTENTION OF THE COMMITTEE. IF
THE COMMITTEE DETERMINES THAT ANY INDIVIDUAL WHO
HAS CLAIMED A RIGHT TO RECEIVE BENEFITS UNDER THE
PLAN IS NOT ENTITLED TO RECEIVE ALL OR ANY PART OF
THE BENEFITS CLAIMED, IT WILL INFORM THE CLAIMANT
BY CERTIFIED MAIL OF ITS DETERMINATION AND THE
REASONS THEREFOR IN LAYMEN'S TERMS, WITH SPECIFIC
REFERENCE TO PERTINENT PLAN PROVISIONS AND WITH A
DESCRIPTION OF THE REVIEW PROCEDURES SET FORTH
BELOW. THE CLAIMANT MAY WITHIN SIXTY (60) DAYS
THEREAFTER SUBMIT TO THE COMMITTEE BY CERTIFIED OR
REGISTERED MAIL SUCH FURTHER INFORMATION AS WILL,

INFORMATION, THE COMMITTEE DETERMINES THAT THE CLAIMANT IS NOT ENTITLED TO THE BENEFITS CLAIMED, IT WILL AFFORD THE CLAIMANT OR HIS REPRESENTATIVE A REASONABLE OPPORTUNITY TO APPEAR PERSONALLY BEFORE IT, TO SUBMIT ISSUES AND COMMENTS IN WRITING, AND TO REVIEW PERTINENT DOCUMENTS. THE COMMITTEE WILL RENDER ITS FINAL DECISION WITH THE SPECIFIC REASONS THEREFOR IN WRITING AND WILL TRANSMIT IT TO THE CLAIMANT BY CERTIFIED MAIL WITHIN FIFTY (50) DAYS OF ANY SUCH APPEARANCE.

9.1. - AMENDMENT AND DURATION OF THE PLAN

THE COMPANY HOPES AND EXPECTS TO CONTINUE THE PLAN, BUT NECESSARILY RESERVES THE RIGHT TO AMEND THE PLAN AT ANY TIME OR FROM TIME TO TIME OR TO TERMINATE THE PLAN. AMENDMENTS WILL BE MADE BY APPROPRIATE ACTIONS OF THE BOARD. EXCEPT AS PROVIDED IN SECTION 7.3., NO SUCH ACTION WILL OPERATE TO RECAPTURE FOR THE EMPLOYER ANY PART OF THE FUND PREVIOUSLY CONTRIBUTED TO THE TRUSTEE UNDER THE PLAN, NOR, EXCEPT TO THE EXTENT, NECESSARY TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE SERVICE OR ANY OTHER GOVERNMENTAL AUTHORITY TO ADVERSELY AFFECT THE PENSIONS PURSUANT TO THE PLAN OF MEMBERS ALREADY RETIRED, OR THE FUND SECURING SUCH PENSIONS.

NO AMENDMENT SHALL HAVE THE EFFECT OF REDUCING THE NONFORFEITABLE PERCENTAGE (DETERMINED AS OF THE LATER OF THE DATE THE AMENDMENT IS ADOPTED OR EFFECTIVE) OF THE RIGHT OF A MEMBER TO HIS ACCRUED RETIREMENT BENEFIT.

9.2. - TERMINATION OF THE PLAN

IF THE PLAN IS TERMINATED IN ACCORDANCE WITH SECTION 9.1., THE ASSETS OF THE FUND WILL BE ALLOCATED, SUBJECT TO PROVISIONS FOR EXPENSE OF ADMINISTRATION OF LIQUIDATION, FOR THE FOLLOWING PENSION PURPOSES AND IN THE FOLLOWING MANNER AND

9.2.1. FIRST, EQUALLY AMONG BENEFITS OF

INDIVIDUALS IN THE FOLLOWING TWO (2)

SUBCATEGORIES:

9.2.1.1. IN THE CASE OF BENEFITS IN PAY
TERMINATION (AT THE LOWEST PAY
LEVEL IN THAT PERIOD AND AT THE
LOWEST BENEFIT LEVEL UNDER THE
PLAN DURING THE FIVE (5) YEARS
PRIOR TO TERMINATION), AND

9.2.1.2. IN THE CASE OF BENEFITS WHICH
WOULD HAVE BEEN IN PAY STATUS
THREE (3) YEARS PRIOR TO
TERMINATION HAD THE MEMBER BEEN
RETIRED AND HIS BENEFITS
COMMENCED THEN, AT THE LOWEST
BENEFIT LEVEL UNDER THE PLAN
DURING THE FIVE (5) YEAR PERIOD
PRIOR TO TERMINATION.

9.2.2. SECOND, AMONG ALL OTHER BENEFITS (IF ANY)
OF INDIVIDUALS UNDER THE PLAN GUARANTEED
UNDER THE TERMINATION INSURANCE PROVISIONS
OF THE EMPLOYEE RETIREMENT INCOME SECURITY
ACT OF 1974, DETERMINED WITHOUT REGARD TO
SECTIONS 4022(B)(5) AND 4022(B)(6)
(RELATING TO BENEFITS OF OWNER-EMPLOYEES),

9.2.3. THIRD, AMONG ALL OTHER NON-FORFEITABLE

IF THE ASSETS OF THE FUND AVAILABLE FOR ALLOCATION UNDER ANY PRIORITY CATEGORY DESCRIBED ABOVE ARE INSUFFICIENT TO SATISFY, IN FULL, THE BENEFITS OF ALL INDIVIDUALS IN THAT PRIORITY CATEGORY, THE ASSETS WILL BE ALLOCATED PRO RATA AMONG SUCH INDIVIDUALS ON THE BASIS OF THE PRESENT VALUE OF THEIR RESPECTIVE BENEFITS AS OF THE DATE OF THE PLAN'S TERMINATION. TO THE EXTENT FUNDED, THE RIGHTS OF ALL MEMBERS TO BENEFITS ACCRUED AS OF THE DATE OF THE PLAN'S TERMINATION OR PARTIAL TERMINATION ARE NON-FORFEITABLE. ANY RESIDUAL ASSETS OF THE PLAN REMAINING AFTER THE ABOVE ALLOCATION WILL BE DISTRIBUTED TO THE EMPLOYER PROVIDED ALL LIABILITIES OF THE PLAN TO MEMBERS AND THEIR BENEFICIARIES HAVE BEEN SATISFIED.

9.3. - MERGER OF THE PLAN

IF THE PLAN IS MERGED INTO, OR CONSOLIDATED WITH, ANY OTHER PLAN, OR IF THE PLAN'S ASSETS OR LIABILITIES ARE TRANSFERRED TO ANY OTHER PLAN, EACH MEMBER WILL BE ENTITLED TO RECEIVE A BENEFIT IMMEDIATELY AFTER THE MERGER, CONSOLIDATION, OR TRANSFER (IF THE PLAN WAS THEN TERMINATED) WHICH SHALL BE EQUAL TO, OR GREATER THAN, THE BENEFIT HE

10.1.1. NOTWITHSTANDING ANYTHING IN THE PLAN TO

THE CONTRARY, THE ANNUAL BENEFIT PAYABLE
HEREUNDER TO ANY MEMBER, WILL NOT EXCEED
THE LESSER OF:

10.1.1.1. ONE HUNDRED PERCENT (100%) OF
THAT MEMBER'S AVERAGE ANNUAL
COMPENSATION FOR HIS HIGHEST
THREE (3) CONSECUTIVE PLAN
YEARS, OR

10.1.1.2. \$98,100, PROVIDED THAT AS OF
JANUARY 1 OF EACH CALENDAR
YEAR, THE DOLLAR LIMITATION,
AS DETERMINED BY THE
COMMISSIONER OF INTERNAL
REVENUE, FOR THAT CALENDAR
YEAR WILL BECOME EFFECTIVE AS
THE AMOUNT SET FORTH IN THIS
SECTION 10.1.1.2. FOR THAT
CALENDAR YEAR.

FOR PURPOSES OF THIS SECTION 10.1.1.,
BENEFITS WILL BE SUBJECT TO THE
PROVISIONS OF SECTION 10.1.4., AND WILL
BE TESTED BY THE AMOUNT OF AN ACTUARIALLY
EQUIVALENT STRAIGHT LIFE ANNUITY ON THE
MEMBER'S LIFE. THIS ACTUARIAL